Eight Lectures
on
Labor, Capital
and
Justice

as broadcast by

Rev. Charles E. Coughlin

over a National Network

April, 1934

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Eight Lectures on Labor, Capital and Justice

By
THE REV. CHAS. E. COUGHLIN
of the
Shrine Of The Little Flower,
Royal Oak, Michigan
and Broadcast
Over a National Network

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Dedication

This Book is dedicated to those good friends whose liberality and generosity have made possible the broadcasting of the Golden Hour.

Chas. E. Coughlin

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THE NEW YEAR

(Sunday, December 31, 1933)

I.

THIS day, my friends, marks not only the passing of an old year. The bells which ushered in 1933 were a requiem for the death of an old era.

"Unquestionably, we are entering an entirely new phase of human development just as surely as our ancestors passed from the stone age into the bronze age . . .

"Despite the tenacity with which the leaders of yesterday cling to certain of their principles and methods; despite any and all of their attempts to sustain their policies, their efforts will be as vain as if they determined to substitute oxcarts for motor cars, or feudalism for democracy. . . .

"As we stand upon the threshold of the new day which is approaching, may we look back to view the two outstanding characteristics which marked the progress of the past two hundred years. These two characteristics are related to the physical development of democracy. These two characteristics were first, mass-productionism and secondly, gold controlled capitalism.

"Both of them were concerned with the material development of our civilization. Neither of them cared directly for the social, the spiritual or the intellectual developments of democracy all of which were destined to be postponed until a later day.

" 'Build cities, expand frontiers, concentrate our minds and our energies upon things physical—railroads and motors, machinery and airplanes, telephones and radio.' That was the program of the age through which we have passed. . . .

"With this policy in vogue, that is chiefly why we have made more material progress in the last two hundred years than was achieved during the preceding two hundred centuries. Of a sudden material scientific inventions flooded the world, making it possible to cultivate square miles of wheat where formerly men were limited to square feet; to spin thousands of yards of wool and of cotton upon the myriad fingers of a loom; to multiply with a magic rapidity the things which were formerly wrought by the slow progress of the hand.

"If mass-production was the father of this age, gold standard capitalism was its mother. Borrowing from the future to perfect the present; building railroads on a form of credit called bonds; circling the globe with strand after strand of copper wire; designing factories where thousands of men were employed on another form of credit called stock; predicating every industrial, every commercial, every agricultural, every physical activity upon the basis of gold and credit—this giant mother suckled the generation and the age which has just passed upon this strange milk of progress.

"Against her breast was pressed the hungry lips of every human activity. She claimed all. She ruled all. The earth and its offspring she regarded as her children.

"Eventually these children grown to maturity realized that all power and wealth had been concentrated in the hands of this mother. It was she who controlled factory and field, locomotive and steamship, telephone and radio, home and motor car, light and heat—life itself.

"It was she who dictated legislation to both parliament and congress. It was she, drunk with her own power, who cared primarily for her financial rights and only secondarily for the rights—the human rights of her children. . . .

"For three years we have had an opportunity to think as we saw starvation in the midst of plenty. For three years we have realized that the policies of the past two hundred years are inadequate to serve the sturdy youth full grown in democracy.

"My friends, the years which are before us will never witness poverty in the midst of plenty without a struggle. The age whose dawnlight has broken upon us shall not be characterized by forced unemployment nor by the concentration of wealth and of credit in the hands of a few who regulate the rise and fall of stocks, of foodstuffs, of clothing and of shelter. . . .

"This is our hope for the future as like pioneers we begin to blaze new trails, to build new roads and to put into practice the saner principles of liberty, of prosperity, of socialized democracy and of Christianity.

"Thus, what shall I say for the new era? The new era will be an age wherein social science shall predominate just as material science held sway for the past two hundred years.

"In the coming era both financial and industrial rights will not be respected and protected more than will be human rights. . . .

"It will be an age in which this so-called anarchistic individualism both in morality, in philosophy, and in civilization shall of necessity give way to the finer teachings that were cradled in the crib at Bethlehem and paid for most dearly upon the cross of Calvary.

"If yesterday the most important motive in the lives of men appeared to be the development of things, the production of materials, the gaining of gold, tomorrow our every effort shall be bent upon securing the development of social man, towards the perfecting of human nature.

"If I dare look into the future, the years just ahead of us are years of contest and of mental struggle. The contestants are they who are imbued with the idea that Christ's charity towards our fellowmen must predominate as against those who will cling tenaciously to uphold man's individualism.

"On the one side shall stand the arrayed and determined forces whose watchword is love. On the other, the entrenched powers of those who believe in exploitation.

"The pioneers of the new age while holding fast to the best traditions of the past are ready to organize and amalgamate against the abuses which in the midst of plenty have generated the poverty that you witness, the so-called depression which has sprung from it.

" 'God wills it!' That was the cry of the crusaders of old as with courageous and undaunted hearts they set forth to rescue the tomb of Christ from the hands of the Saracen. 'God wills it!' That is the watchword of the new crusader who is determined to rescue the principle of Christ's charity from the stupid hands of those who have tried to substitute for it the doctrine of selfishness and the gospel of greed—the doctrines which have foisted upon us a man-made depression.

"It is a blessed thing, my friends, that both you and I have the privilege of living in these eventful days—a privilege, perhaps, which some of you do not appreciate.

"I sympathize with your tears and your poverty. I am not heartless when I hear of jobs and positions that are gone, of homes and farms that are confiscated, of industries, of retail businesses and of banks that have fallen victim to the barrage of golden bullets and to the lethal gas of dishonest credit and questionable promises.

"My friends, you have suffered. You have been victims in a noble cause. You have been patriots wounded on the battle front of a new liberty. But from your wounds as from the tomb of Christ shall arise a civilization more glorious than either poet or philosopher ever dared dream of.

"This new year's day is not a moment for despair. It is the birthday of a new hope.

"It is the hope which I have interpreted from the millions of letters received by me from every State in this Union.

" 'Upon what foundation is this structure of hope established?' do you ask?

"The answer to that question is brief. It is expressed by the one word 'understanding.'

"The ordinary American citizen is beginning to understand that during the past few years, the more automobiles turned out of our factories, the more coal from our mines, the more textiles from our mills, the more shoes from our factories, the fewer workers were required to produce them and the greater were the profits falling into the hands of those who own the machines and the factories.

"That is a fact which no one can contradict nor dismiss with a sneer. Sneers are never arguments. That is a fact which is known by more than thirty-five million people in the United States today and which all the paid-for propaganda in newspapers or magazines to the contrary can never destroy.

"Our people understand that in the past era the American laborer has not participated in the profits according to the rules of Christian justice.

"That is the reason why the more intelligent industrialists instead of scoffing at these facts; instead of belittling them, are scientific enough to adopt the inescapable conclusion that their wage system and their industrial system have been inefficient and are now obsolete; that their railroads, their factories, their mills and their machinery are becoming liabilities upon their hands unless the purchasing power of the American public is restored and preserved. They understand that a 'new deal,' as it has been termed, must be extended to protect human rights if industrial rights or industry itself can continue.

"Finally, we understand that the cycle of uncurtailed mass-production with its hiring and firing; its up-seasons and its down-seasons has been finally completed. No government and no propaganda can in the future hold the confidence of the American people or lead them to prosperity unless this fact is recognized; unless this abuse once and for all is courageously remedied.

"No government can have my confidence or my support or the support of the millions of people in these United States unless an honest effort is made and made immediately to rectify this.

"Save our factories! Protect our machinery! Let inventors discover new ways and means to lift the burden of labor from the backs of men! But for God's sake save our American laborer and farmer who depend upon each other and upon whom ultimately depend the owners of machinery and the Constitution of this nation.

"This is the proper object of our efforts. This is the policy upon which we must unite. This is the victory which in 1933 we must set forth to achieve!

"Associated with the abuse which has crept into mass-productionism is the flagrant abuse of our financial system.

"The vast majority of bankers are in nowise to be condemned any more than are the majority of honest, upright, courageous men who have become the captains of American industry.

"It is simply a case of a system excogitated by the human mind going the way of all things human. Our present financial system is a corpse. Let us bury it.

"Time and again I have enunciated the principle that money must never be used as a medium of control despite the fact that the Rothschilds advocated this very thing. Time and again I have brought before this audience that money must not obstruct the exchange of food and clothing and shelter and the necessities of life, although today every high school boy understands that this very thing is happening and is still happening."

II.

These words which I have just pronounced are a quotation from the New Year's discourse which I delivered one year ago.

I have repeated them to you today more confident than ever in their soundness.

I feel certain that the age of man's inhumanity to his fellowman is surrendering to the age of man's co-operation with his fellowman.

The transformation by no means has been completed.

For we are still struggling in the cradle of transition.

The point of paramount importance, however, is that the new ideal has been born. It was ushered into the world amidst pain and poverty that were unique in their manifestations. There had been famines. There had been earthquakes. There had been drouths and misfortunes. But never before was there a famine, a social earthquake, a social misfortune in the midst of plenty produced by man's anarchistic philosophy.

The *"new deal"!* The wise men come to acclaim it. But the Herods of high finance are already plotting against it.

Surrounding these Herods are the ruins of their own kingdom. Their financial system has collapsed as everyone knows. Their system of capitalism designed to function only on the basis of borrowing from the future for productive purposes is already obsolete. Instead of adhering closely to the scientific and moral principle of capitalism the bankers of yesterday borrowed from the future for nonproductive and destructive purposes. They themselves destroyed the system. They need not blame the communist, or the socialist or the radical.

But with a relentless ferocity the old dealers shall attempt to destroy the new dealers.

What do I mean by that?

I mean, my friends, that the National Recovery Act which limits the hours of labor and which eventually must limit the hours of machine activity will soon become the target of attack—of Congressional attack.

At present you and I both admit that this National Recovery Act is only an infant without teeth.

It is an open secret in Detroit, for instance, that some who have signed certain codes work their men for the allotted hours and then rehire these same men under another badge and sometimes under another name.

I mean that definite efforts will be made during this first regular session of the Seventy-Third Congress to impede the actual nationalization of our gold and its actual revaluation—a definite effort to satisfy us with the nominal revaluation which is now in effect but which in its present state cannot succeed in restoring prices and in liquidating debts.

I mean that a subtle propaganda will be launched to inform us that the depression has entirely passed and therefore there will be no need of remonetizing silver; there will be no need either of recalling unproductive bonds or of normalizing our currency with Federal Treasury Notes.

Those who make the attack, throwing all logic and scientific thought to the four winds, will refuse to remove the causes of our catastrophe forgetful that if the first dawnlight of prosperity has appeared, it is due primarily to a revival of confidence in a noble leader and of hope in his promises.

In the old system and in the old policies there is neither confidence nor hope.

The Recovery Act, the actual revaluation of gold, and its nationalization, the restoration of silver, banking and financial reforms—these are the innocents who are doomed to slaughter if the Herods have their way.

My friends, we expect much of this coming Congress. When it convenes this week it will have under its jurisdiction the solution of the most momentous problems since the birth of our Republic—or, for that matter, since the invention of a money system upon the face of the earth.

No Congress in any nation nor Parliament under any form has ever had the opportunity to rectify the ills of human nature—the commercial ills, the industrial ills, the financial ills—as has this Congress which is meeting the third day of next month.

III.

Consider this thought and from it, perhaps, you will be able to gage how important this next meeting of our Congress will be:

For thousands of years the human race was destined to struggle for existence against the odds of a hostile nature. Famines descended upon our forebears with a tragic regularity.

At length through laborious centuries of thought, of workmanship, of invention the spectre of scarcity was driven from the confines of this nation. The nail, the wheel, the saw, the hammer, the plow—these became the weapons of mankind against this common enemy as he beat back starvation from the squalor of the primeval swamps.

The science of agriculture gained victory after victory. Its close ally was the science of mechanics. Eventually came the steam engine, the power loom, the electric motor, the tractor, the airplane—mass production of food and of materials; instantaneous transportation of these products over the face of the inhabited earth. Famine no longer held the whip hand over human nature.

For thousands of years man had been engaged in battling scarcity, want, famine!

Through all the history of our race he has been willing it, wanting it, striving for it and of a sudden as a thunderclap the wonder has been worked.

We awakened but yesterday into a world from which man, the indomitable offspring of God, had abolished scarcity.

And today, on the very threshold of this major victory of the spirit of man, the world is stricken—palsied with fear—as though it dare not embrace the victory it has labored thousands of generations to achieve.

In the dead days when nature exercised enormous and tyrannical powers over man, he made a philosophy for his own individual protection against it.

But in these live days when that tyranny is now dead—when famines have ceased—that old philosophy still remains.

Formerly the entire philosophy of material life centered around the problem of production.

Today production is no problem.

Today the philosophy devised to beget production is no philosophy.

Shall I speak in plainer language? Then here it is:

We grow more wheat than we can consume, more cotton than we can use. We breed more pork and beef than we can eat. We build more homes than we can occupy, more motor cars than we can ride in.

In other words, there is no problem of production.

But despite all this we starve in the midst of plenty. Cotton is plowed under when there are naked backs to be clothed. The theory of *"less-and-less"* is preached when by the grace of God and our own ability the fact of *"more-and-more"* is already established.

But today there is another problem. There is a problem of distribution. It is a problem that must be fathomed by this Seventy-Third Congress. It is a problem by which this Congress shall stand or fall. They dare not sidestep. They dare not fail. That man or men should starve or go naked in the midst of plenty is a defiance of God and a defiance of every man who believes in God.

If factories are closed, if granaries are guarded, if children and wives suffer the needless and immoral tortures of an artificial want—why is it?

Because there is no money, no gold!

Because the little there is of it has been cornered by a few!

Because these few control credit, grow fat on unproductive debts and mumble their sophistries about the sacredness of financial obligations which were predicated upon man-made heresies and snap their fingers at the sacredness of God's obligations of loving our neighbors as ourselves.

Have I made myself plain? This Seventy-Third Congress by its actions if not by its words shall decide once and for all in this nation whether or not Christ was a poet and an idealist or a practical person when he enunciated "Thou shalt love thy neighbor as thyself." I shall be on the side of Christ. I still believe in His practicability and not in the diabolical methods of protecting money and letting men starve to death.

Or shall I express the same thought by telling you that the financial system in vogue today was developed from a theory of want, of famine, of a struggle for production, of an obsolete theory of supply and demand.

And this very day when there is no want, no famine, no struggle for existence, no serious problem of supply and demand dare we hesitate to rectify the shortcomings of a single gold standard system and of a private banking system which have failed and will continue to fail unless a courageous Congress interprets the voice of the people—not that of the debauching money lords? Our confidence and our hopes are established upon promises. We absolutely expect these promises to be fulfilled.

The new year is upon us. With it there is a crying need to solve the problem of distribution, the problem of a living, constant and profitable wage, the problem of rescuing the wealth of the nation from the hands of those who have identified food and raiment and shelter and education—life itself—with their absolute control of gold.

The bankers—I mean the great central bankers—not the thousands of honest little local bankers—grow daily richer and the man, the citizen, grows hourly poorer.

These central bankers have made finance the supreme tool, the only tool in civilization. Without it no other tool can be used, no occupation indulged in. It is the final tool and it belongs to the system which controls directly or indirectly every tool from the plow point and the hammer to the lathe in the factory.

IV.

This is another problem which must be solved by the Seventy-Third Congress independent of party politics, independent of Republican or Democratic affiliations. It is a problem of ridding the nation of a philosophy of financial anarchy which is opposed to the doctrines of Jesus Christ and His brotherhood.

As in retrospect we analyze that phrase *"a famine in the midst of plenty"* or as we interpret the phenomenon of forced idleness both of which conditions characterized the months of the past year because of the old system of mass-productionism and gold control standardism, instead of being pessimistic we are rather optimistic for the future.

Both of these conditions evidence our success. In a large part they manifest the intellectual triumphs of man in the material domain.

If our ancestors overcame actual famine imposed upon them by nature, certainly our President and Congressmen can and will overcome the artificial famine imposed upon us by private bankers, even though it will be found necessary to nationalize every penny and to abolish every private bank. They dare not resuscitate these old systems because by doing it they are simply perpetuating the causes which in another ten years will bring on a worse catastrophe. The causes must be removed.

V.

My friends, I have every reason to wish you a happy and prosperous new year. It should be a happy new year in a material sense because of our courageous leader. It should also be a happy year in a spiritual sense.

Let us not be unmindful of the fact that the year which is passing is the nineteenth centenary of our Redeemer's death.

It was the Holy Year—! Am I bold in asking those of you who believe in the brotherhood of man if you have resolved to return to your Christ Who paid with His life the price for this principle?

What will it profit us to discuss the problems of distribution, of just wages, of financial liberty—problems which, after all, are associated with Him Who had compassion upon the multitudes, unless we as individuals come to His cross as this last sunset of this year is sinking and there renew our love for Him, our loyalty to Him and our determination to live according to His way, His truth and His life?

May I leave this one thought with you this afternoon, this last afternoon of the old year? It is this:

For two years or more I have been insistent in preaching to you that human rights must take precedence over financial and industrial rights.

My friends, I fear that I have been wrong because in one sense there are no such things as human rights.

From the throne of Calvary's cross where Christ was attired in the royal robes of His precious blood He had you and me in mind. Then it was that He whispered to Mary

Immaculate: *"Mother, behold thy son!"* and to St. John, *"Son, behold thy mother!"*

The same lips which then claimed brotherhood with us said once before *"whatsoever you shall do to the least of My little ones, you do unto Me!"*

"Human rights," say I.

"Divine rights," says Christ. Through a miracle of love the human has been overshadowed by the divine.

Thus in the blessed name of our Christ Who redeemed us, may both we, our President and our Congressmen keep this thought in mind as we close the gate on the old year, the holy year, and begin our journey over the days of the New Year!

Like Melchior, Caspar and Balthasar, the three wise men, may we follow that star of charity, of brotherly love, which shall lead eventually not to a desolate, wind-swept cavern where a baby dwells in poverty but to a glorious, immortal throne in heaven, there to be crowned by the risen Christ with the circlet of brotherhood.

My friends, the man at your elbow, the servant in your home, yes, the harlot in the street is your brother and sister through the grace of Jesus Christ.

Oh, yes, divine rights, if I may amend what I have formerly said, divine rights must come before industrial and financial and all other rights; for whatsoever our President and our Congressmen or we ourselves do unto the least of our little citizens we do to Jesus Christ! Christ's way must be the pathway which will lead to prosperity.

Once more I wish you a holy and happy and prosperous new year—prosperous in those spiritual things which will outlast all earthly things. If God sends you sorrow welcome it in the spirit of His own crucifixion. If God sends you love cherish it in the mirror of that divine love from heaven.

EXPECTED OF CONGRESS

(Sunday, January 7, 1934)

I.

THE most interesting and dramatic days of our national lifetime are immediately before us.

Beginning this week and ending probably with the month of May our duly elected representatives will decide whether or not the political system of democracy as we know it will be retained; whether or not the financial system of capitalism will be rejected.

These one hundred and fifty days before us are most crucial days for this nation. More important legislative enactments must be determined in this short time than were written by our Federal Governments during their one hundred and fifty years of existence.

This Seventy-Third Congress must erase from our vocabularies the most indicting phrase ever coined by the lips of man—a phrase expressed by those incomprehensible words: *"Want in the midst of plenty."*

It must guarantee to us that the children of the next generation can earn a livelihood with honesty and with security, their lives unfettered from the shackles of financial slavery.

We have been patient almost to a fault. We have suffered at least four years too long from a previous Congress which lacked both ability and fortitude to face the realities of life as it placed partyism upon a pedestal and worshipped before it.

In plainer words, the strangling web of this depression out of which we hope to disentangle ourselves cannot be destroyed unless the causes which spun it are courageously and efficiently removed. Its strands certainly will be woven again to ensnare us unless this is done. This can be done! This must be done!

This Congress, therefore, dare not compromise on certain questions. The people of the nation are too well informed and too set in their determination to suffer any sidestepping from the vital question of this hour.

Briefly, it is the paramount question as to whether or not money shall be used as a medium of control as it has been or as a medium of exchange as it should be. This question must be settled.

This series of lectures, beginning today, will deal with this topic. To the best of my ability I shall keep you informed on the obstacles which oppose it, on the men who impede it, and on the progress of its solution.

This afternoon I plan to speak generically on this subject.

But first of all, may I devote a few minutes of my time to the present mental attitude prevalent both in the Senate and in the House of Representatives.

II.

To what mental attitude do I refer? I can describe it no better than by saying that it is one of timidity.

A timidity which fears to forsake the failures of the past.

A timidity which fears to oppose the entrenched powers of wealth.

A timidity, which if persisted in, will nullify the progress of the past six months and becloud the optimistic outlook for the future.

And, finally, it is a timidity that obscures the democratic functions of government.

For some unfounded reason there are a few legislators who are under the impression that during the past six months our nation has become Hitlerized. They assume that we have passed from the sunlight of democracy into the darkness of a dictatorship. They are under the impression that the American people desire them, our duly elected representatives, to practice an obsequious silence.

Therefore, this group is content to forget that the Senate and the House of Representatives form the real constitutional legislative body of this nation. And in this frame of mind they are further content to regard themselves as the sublimated rubber stamps of "yes-ism."

I believe that there is scarcely a voice in this nation that has been raised more consistently in upholding Mr. Roosevelt and his principles than my own. Those principles will continue to be upheld. But with equal force I will sustain the constituted right of our Congress to initiate and to enact legislation whether or not I agree in theory with the laws which they enact.

Moreover, I honestly believe that Mr. Roosevelt disclaims any desire to be a financial dictator.

My friends, you are familiar with the legislation known as the Thomas Amendment passed in the early days of this administration.

That legislation conferred upon the President semi-dictatorial financial powers to revaluate our gold ounce, to remonetize silver at least in part, and to cancel the non-productive bonds by more than $3-billion through the issuance of Treasury notes.

Now as a matter of fact—and for the moment we will disregard the theory of it—as a matter of fact Mr. Roosevelt did not use these dictatorial financial powers when every school boy in this nation realized that the fundamental cause of our national distress was related to money.

The President himself realized this. In his Inaugural Address he went on record to state that there must be *"provision for an adequate but a sound currency."*

Until this present moment the adequate and sound currency problem has not been solved. No more than mere indications have come from the White House.

The President knew as well as every citizen that Congress and Congress alone has the right to coin money and to regulate the value thereof. He knew that it is a debatable point in law whether or not Congress can delegate the regulation of the value of the gold ounce to the President or to any other person without a constitutional amendment.

He was also fully acquainted with the psychology of the American people—a psychology which is opposed to dictatorship under any form; a psychology that has been crystallized by the recent financial dictatorship of Wall Street against which we are rebelling.

Therefore, he has not nationalized our gold nor did he actually revaluate it. Silver has not been actually remonetized.

The famine of currency has not been abolished. The disease of debt has not been attacked except through borrowing.

The price level of 1926 has not been restored.

The actual normalization of the dollar has not been achieved. We are still paying approximately one dollar and forty cents in 1934 for every 1929 borrowed dollar.

Let us keep these facts in mind and be not misled by false propaganda while we are struggling for financial and economic independence against foes mightier in power, in wealth and in influence than were those from whom we wrested our political independence.

III.

Let me rehearse for you the history of these facts.

Some few months ago the gold held by the citizens of the nation was confiscated by governmental edict.

It was deposited not in the Treasury of the United States but in the vaults of that privately owned corporation known as the Federal Reserve Bank, which since its organization was falsely paraded before the public as a government institution.

At a later date another presidential edict announced the revaluation of gold which for many years had been priced at $20.67 an ounce.

Most persons were and are still under the erroneous impression that this edict affected all the gold resident in the nation. The truth is that this revaluation was concerned only with newly-mined gold, with European gold that was for sale. Only two and one-half million ounces of gold representing an expenditure of a paltry $75-million was revaluated and was purchased.

The four and one-quarter billion dollars of gold already in the nation—and the major part of it in the vaults of the

Federal Reserve Banks—this colossal sum was not thereby legally and really revaluated. Its price was only theoretically or psychologically raised.

The record for gold revaluation during the year of 1933 is nothing to boast about.

Before Mr. Roosevelt came into office we sold to European countries ten million ounces of gold—sold it for what?

For printing press, fiat money! France, the world's great welcher, bought gold and foreign exchange from us for sixty-five billion freshly printed francs.

England purchased more than one billion dollars of our gold and our gold stocks with printing press pound notes.

Our bankers would receive printing press money from foreigners while they damn it here at home.

Despite our puny purchases of foreign gold and of newly-mined gold with good honest American dollars, 1933 has marked against us a loss of millions of ounces which we have traded for the so-called printing press francs and pounds sterling.

Since Mr. Roosevelt's coming to office the trading of good gold for bad paper has ceased.

But wisely he has not completed the process of revaluating what still remains here until Congress removes from the vaults of the Federal Reserve Banks that gold which should belong to the nation and which is held by a corporation whose officers were party to the shady transactions just disclosed.

Just yesterday an overture was made by the Federal Reserve Banks to the United States Government. This private corporation established to keep us out of depressions; this colossus of a central bank which was given the right to issue printing press money; this bank whose officers of the Board criticized the President's gold revaluation policy now has the effrontery to come and bargain with Congress after having played no small part in creating a credit inflation, and in expatriating millions of ounces of gold from the nation.

They suggest to us that they will retain the gold now in their vaults and merely hand over to the people of the

United States whatsoever profit will accrue from the revaluation which they are certain will now follow.

My friends, in our complex civilization the commodity of gold is altogether too vital, too elemental a thing to be left in the hands of a private corporation.

They who control gold control the nation. It has become a public utility extremely more important than electricity, than our waterways, than our railroads, than our army, more important by far than our post office!

Upon gold is predicated the price of labor, the cost of foodstuffs and of clothing.

Without gold you cannot build a shelter against the elements. Without gold you cannot purchase an education.

They who hold gold hold the keys to prosperity and to depression, to currency and to credit expansion.

They dictate policies to governments, to industries and to news journals. It is they who regulate our coming into the world and our going from it as we spend our brief hour as serfs subject to their financial rule.

Now that the Federal Reserve Banks are certain of an actual gold revaluation, let our Congress also be equally certain that this most important, this most universal public utility be placed under the control of the Treasury of the United States where in the future it will be employed honestly in affairs of trade and commerce, of currency and of credit and will not be bartered away for printing press francs and pounds sterling!

Neither has silver been remonetized nor revaluated.

Late in December of 1933 an order was issued from the White House pricing silver at 64½ cents per ounce.

The only silver which this order affected was the newly-mined American silver.

Supposing over a period of three years there will be mined 100-million ounces of this metal, it will mean an expenditure of $64½-million—a negligible sum not sufficient to meet the financial obligations of this nation for one single day.

The price of the silver already mined has not been raised substantially by this gesture nor will it be raised any more than would the price of wheat be raised if the Government decided to purchase a few hundred thousand bushels of the 1937 crop.

The present revaluation both of gold and of silver are mere Presidential gestures indicating what is in Mr. Roosevelt's mind, and suggesting eloquently to Congress the legislation that is desired. He is not a financial dictator nor does he desire to be such. But at least he is our leader and he can suggest by these eloquent actions what we, his followers, desire to be done.

The people of this nation who have been victimized by those who controlled the gold will be satisfied with no half measures of legislation in the regulation of the value of gold, its possession and the currency money related to it.

Victimized to such an extent that we were the coiners of that shameful phrase—"want in the midst of plenty"—hunger rampant while granaries were bursting; forced idleness multiplied while factories were locked; impoverished nakedness while cotton was destroyed—and our central bankers, our privately owned corporation of the Federal Reserve stupidly clinging to the gold and to the gold standard which controlled it all. Avariciously and greedily they gloated over their pounds of flesh—their precious bonds, their dishonest dollars, their confiscated homes and farms—while Shylock-like they prated of financial rights in the ears of a prostrate nation.

And now when they stand convicted before the bar of public opinion they dare to bargain to retain the gold and hand over the profits and to perpetuate the depression throughout the years to come.

The gold upon which they could work the printing presses night and day for a week after revaluation to turn out $10-billion of printing press currency and $50-billion of credit while they utter the wolf cry of *"Beware of this inflation." "Stop thief!"* They are the inflationists. They are the thieves of our greatest public utility!

Do they think that Mr. Roosevelt has suddenly become demented or that Congress is composed of a group of imbeciles?

Do they think that the American people, despite all the news print, despite all the broadcasting and propaganda are such damnable fools as to put up with this?

IV.

This, my friends, is one of the first procedures in ousting the money-changers from the Temple and keeping them out.

Not until the gold has been nationalized and revaluated by Congress can the famine of currency money and the disease of debt money be successfully attacked. Not until the completion of gold revaluation will we witness the adequate restoration of silver or of the 1926 price level. That is the first, the most important step.

On the day when this actual nationalization is enacted revaluation will follow. Your home, your farm, your property will be restored almost automatically to their normal values.

Wages will gradually increase. The price of wheat and cotton, of farm products will be normalized.

Then will those millions of men now working on the civilian welfare begin to be assimilated by productive industry.

Then will it be possible for our manufacturers and farmers to compete equally in foreign markets.

Then will it be possible for our Government to issue Treasury currency money against the gold which rightfully belongs to it. Then will the 140 cent bond dollar or stock dollar or present American dollar be reduced to 100 cents and be made honest.

Dollars will be more plentiful in America as pounds are in England and francs are in France—and all this without the slightest semblance of uncontrolled inflation.

Inflation, my friends, as interpreted by the Baruchs, Warburgs, and the rest of them only begins when there are 99 cents or 80 cents or 50 cents in the domestic purchasing dollar!

Indeed you will read and hear plenty of the dangers of inflation from the advocates of *"things-as-they-were-ism,"* from the prophets of evil.

Their eyes will weep inky tears as they blot the pages of the Tory press both because a new deal has been given the American public and because capitalism has been cleansed of that filthy philosophy which has obscured it—the philosophy of greed and exploitation.

Their voices will sob requiems because the purchasing power of their bonds has been depreciated until it is only 100 cents in the purchasing dollar!

V.

Bear with me while I repeat a portion of the story of the bonds, a story which I recited in part to you last year.

"If you recollect, we entered the Great War on Good Friday in the year 1917.

"On the eve of that eventful day our Senate was assembled.

"Long into the hours of Holy Thursday night serious minded men debated both on grounds of patriotism and of righteousness whether or not we should take up arms against the Central Powers.

"It was the night when nearly 1900 years before the Master supped with His Apostles and said to them: 'This is the chalice of the new and eternal Testament which shall be shed for you and for many unto the remission of sins!'

"The night when Judas betrayed Him for thirty pieces of silver!

"The night of Gethsemane with its horrors, with its infuriated mob.

"The night when was spoken the words 'Put up thy sword into its scabbard. Know ye not that they who use the sword shall perish by it?'

"The clock in the Senate Chamber moved towards midnight.

"Frenzied words passed to and fro!

"Voices were filled with emotion!

"Was there ever such nervous tension before in the history of that august body—our Senate? Never! Never!

"The hands of the clock ticked off the seconds, the minutes!

"It was ten minutes to twelve—and yet no decision had been made.

"Lo! From his seat rose a white plumed, fearless, honest man. It was Senator James Reed of Missouri.

"'If you must declare war,' said he, 'for God's sake, do it now before it becomes Good Friday.'

"And then the bells of midnight began to toll the yearly requiem for the Prince of Peace.

"The Senate had waited, had waited too long!

"Waited for the anniversary of His death day to declare the most iniquitous war that was ever waged!

"Yes, it was the Good Friday of that memorable year of 1917.

"It was the doomsday of thousands of America's youths who, like the innocent Victim of old, were herded to their Calvary of sacrifice to be crucified between the two thieves of gold and greed.

"Gold and greed, say I? Oh, listen to this story:

"On that eventful day the President of the Bank Board of the United States was Mr. E. P. C. Harding.

"If the Senators knew not why they declared war, at least this bank representative did. Mr. Harding was not ignorant—he the president of the Bank Board of the United States knew what it was all about.

"On March the 22nd previous to the Declaration, mind you, he knew that eventually we would commit ourselves against the Central Powers. He knew it and knew why as is evident from these historic words—words that shall go ringing down history to shame the pages of our national life. Mr. Harding's exact words are:

"'As a banker and creditor, the United States would have a place at the Peace Conference table, and be in a much better position to resist any proposed repudiation of debts, for it might as well be remembered that we will be forced to take up the cudgels for any of our citizens owning bonds that might be repudiated.'

"What a confession, my friends! What a paradox to Christian teaching! What a burlesquerie on human rights! To think of it: We must take up the cudgels; we must rush headlong into a sea of blood; we must sacrifice our boys; we must crush the hearts of their mothers; we must multiply barbarously the

orphans in our fair land; we must crucify again the Prince of Peace; we must consign to hell the doctrines of charity—all for the sake of bloody bonds owned by private citizens and bought at their personal risk. Bonds which today sleep in vaults where wealth lies buried, but which tomorrow shall rise like ghosts from graves in hell to haunt and to torment both us and our children!

"Some future historian, my friends, will have both the courage and the honesty to analyze that statement of the president of the Bank Board of the United States and to tell fearlessly to the generations to come that our entrance into the Great War was motivated not to make the world safe for democracy, but to make the bonds and the debts collectible by our private bankers.

"Christ was betrayed again for thirty pieces of silver. And once again they who thus use the sword shall perish by it!

"What had happened to evoke such a heinous, sinful statement from the official mind of the president of the Bank Board of the United States?

"Briefly, this is the outline of the facts:

"We are discussing the year 1917.

"For three years previous to this date American corporations had been waxing fat on the war materials which they were shipping chiefly to England and to France.

"Already billions of dollars worth of wheat, of cotton, of arms and ammunitions had been poured into the lap of the Allies. Hardly a penny in actual money had been extended to them.

"Now in 1917, it seemed certain that Germany would be victorious. If so, it seemed equally certain that England and France and the Allies would repudiate their debts.

"Thus, it appeared that the private contracts entered into directly by American munition manufacturers with the Allied governments of Europe would be disavowed.

"So we went to war to save our thirty pieces of silver; to guarantee that the Allies whom our wealthy citizens had staked for three years would win and therefore pay. What a delusion! Pay? Pay by welching!

"Now the United States as a nation, after 1917, was officially participating in the conflict.

"From then on the complexion of the loans to the Allies was undergoing a change. Their payment was being made secure by the bodies and souls of innocent men.

"More than ever in 1917 arms, ammunitions, coal and foodstuffs were required by the Allies as well as by our army and navy. But from this year on our Federal Government, which means you, the American taxpayer, undertook to carry the full burden.

"Roughly estimated $14-billion of war material was loaned to the Allies by the broad shouldered American taxpayer until eventually came the Armistice, and with it a second chapter of bond history was written.

"Behold the story! The $14-billion worth of material—of wheat and of cotton, of meat and coal and munitions which we shipped abroad to England, France, Italy and the Allies—that $14-billion was summarily canceled. It was not even repudiated. Our Government without consulting you or me canceled it and placed the burden of that debt on your shoulders. Their war debts were officially wiped out!

"Meanwhile the American producers of these war materials had been paid in American dollars.

"Meanwhile Government interest-bearing bonds had been sold to our banks and to our citizens to raise these dollars.

"Do you understand? The taxpayers of the United States assimilated the debts canceled so generously by Mr. Mellon and his confreres, in favor of the European nations. We assimilated the debts, and the taxpayers, through the medium of bloody bonds, began to pay back the manufacturers of munitions and bullets used to kill and destroy.

"Oh, indeed, if the debts had been canceled in favor of the foreigners, the bonds representing them and piled upon the backs of the American public had not been canceled! They still remained. Our citizens were still pledged to redeem those bonds which our Government had issued to pay the great corporations of America for their profitable contribution in having made a shambles of the civilized world.

"We who thought that the flower of our youth had been sacrificed to make the world safe for democracy now agreed with

President Wilson when he disillusioned us with this word: 'This was a commercial war.'"

We have no quarrel with the issuance of productive bonds. A productive bond is always a sign of prosperity. They are good, honest bonds. Our quarrel is with the non-productive bonds—the shell-hole bonds, the corpse bonds, the legless veteran bonds, the French welching bonds which produced nothing but misery.

It is for these non-productive bonds that the bankers shall weep. It is by these non-productive bonds that he is still hoping to hold power over you, to collect from you.

These bonds should be recalled in an effort to undo a great wrong instead of forcing the slain soldiers' children to assume their fathers' burden as if it were not enough to have been deprived of a parent.

These bonds can and should be canceled to normalize the purchasing power of our nation and of our dollar with the legitimate currency which legally can be issued.

The issuing of more productive bonds without canceling at least a great portion of the existing non-productive bonds will be going counter to the theory of capitalism, of Christian ethics and of the policy of our President. Bonds are debts. They are credit. Mr. Roosevelt openly criticized the policy of attempting to borrow ourselves out of debt. What further indication does Congress require?

I trust that by Good Friday of 1934 this Senate and Congress, freed from the fallacious advice of bankers, will undo what was perpetrated seventeen years ago.

The war, as Mr. Harding said, would save our foreign debts.

As usual the banker was wrong.

But the cancellation of the unholy war bonds will save our people.

VI.

These things, I speak to you, my friends, with a hope that our economic bondage will be destroyed.

Let Congress take courage. Let our representatives, forgetful of party affiliations and mindful only of the crying needs of this hour, immortalize themselves by placing their country and the welfare of its 120-million inarticulate citizens first and foremost.

Our political system of democracy will be saved.

And above all the Christian philosophy of brotherhood shall flourish.

Incidentally, this happens to be the feast of the Holy Family.

In one sense this whole nation is one large family. Perhaps we are grown up children who have established homes of our own—the states, the counties, the cities and the villages. But most certainly we have not severed the ties which bind us to the parent home of our Federal Government and to the traditions established by our forebears.

Add to that the thought that those forebears who settled this country were primarily religious minded men and women who fled from the household of other nations in order to sustain the principles of liberty, of democracy and of Christian charity.

From the days when Columbus first planted on the shores of San Salvadore the cross of Christ; on through those tempestous days when Jogues and Lalamont and Brebouef whispered the story both of Bethlehem and of Calvary to Huron, to Algonquin and to Iroquois; following through the years with Hennepin and Marquette and Richard, there grew up within this nation a fealty and a loyalty to Christ Who made us brothers, members of the same family—a fealty and a loyalty which we will not suffer to be destroyed by those who perhaps are content to mouth the counsels and teachings of the Gospel but who in practice prefer to follow the precepts of greed, of selfishness and of outworn paganism. The philosophy of slavery and exploitation—be it the physical slavery practiced upon the Negro or the whip of financial slavery snapped over the back of the white man—these cannot endure within this nation!

ROOSEVELT OR RUIN AND THE GOLD LAW

(Sunday, January 21, 1934)

ON Sunday, December 17, 1933, and many times previously, I made it plain to this audience that my interest in a monetary reform and in our gaining financial independence was primarily associated with principles—Christian principles—not with men.

In the past I have supported the doctrine that money is a medium of exchange—not one of control; that human rights must be protected in preference to so-called financial rights.

These doctrines I shall continue to sustain to the best of my ability, always upholding principles rather than men.

I have also gone on record in using the phrase: *"Roosevelt or Ruin."*

By that I merely mean that unless Mr. Roosevelt accomplishes what he set out to achieve, namely, the expelling of the money-changers from the Temple and the restoration of a sound and adequate currency for the benefit of all our people and not for the chosen few, ruin will eventually follow.

I.

To amplify this statement: Not only our gold—our money—but also our entire financial system has been employed primarily and almost totally for the welfare of a small group of persons—the international bankers.

Modern civilization carried on in spite of—not because of this monopolistic control.

It was a civilization, as I have previously described, which was made utterly dependent upon the existence and function of bankers' money.

It was a new civilization wherein, through the providence of God and the genius of man—of men such as Watt, Fulton and Arkwright, of Bell, Marconi and Edison—, the problem of producing and supplying the necessities and conveniences of life was finally solved. These scientists, like the knights of old, had so battled the dragon of poverty that a veritable superabundance of wealth surrounded us.

Wheat and meat for hungry mouths; cotton and wool for clothing; timber and stone and mortar for shelter; factories and industries capable of producing an almost limitless supply of conveniences—all have been multiplied beyond the precincts of a poet's ecstatic dream which was content to picture with roseate words the actual benedictions which are now realized.

Words and dreams have been so transformed into deeds, and realities that the miracle of the Manna which of old God showered down upon the desert sands for a persecuted people has been outdone in our time and age by the modern miracle of plenitude.

I need not rehearse for you why, despite this, there is poverty in the midst of plenty—why wheat was burned, cotton destroyed and factories closed. I need not detail for you why children starved, why want prevailed, why forced idleness grew apace.

It was simply due to a lack of money, money that was controlled by the few. Money upon which was predicated every crust you ate, every rag you wore.

All wealth of field and mine, of hand and brain was forced to pass through this bottle neck of gold which year by year was so narrowed down by the increase of population and so choked by immoral debts that the blessings of production were hopelessly prevented from being distributed to the children of men.

Yes! There was a scarcity of money because the central bankers and the international bankers so decreed. Therefore, following their logic, there must be an imaginary scarcity of food, of shelter, of clothing and of production.

But what was the sequence of facts because of the scarce dollar—so scarce that there is hardly more than one paper dollar for every gold dollar in the country; so scarce that in the past three weeks approximately 150-million more currency dollars have fled from circulation?

What was the sequence of facts?

Here is the answer:

First: Fewer dollars meant dearer dollars.

Second: Dearer dollars meant the inability of a greater number of people to purchase.

Third: Inability to purchase meant an overproduction of farm products and manufactured goods.

Fourth: Overproduction in turn bred lower prices and unemployment.

Fifth: Lower prices and unemployment bred dearer dollars.

Thus the vicious circle was rounded as month after month its circumference was again traveled by ever growing numbers whose feet wore deeper the rut out of which it becomes monthly more difficult to extricate ourselves.

That, my friends, is the course of deflation—of confiscated homes and farms.

That is the philosophy of money which makes things cheap for you today but on some tomorrow will find you out of employment as you join the march of the money slaves around the circumference of the depression.

It is the same philosophy by which the creditor blindly persists in collecting from the debtor 165 to 125 pennies on the dollar which was borrowed.

It is a system by which the bankers and the wealthy will retain their undue purchasing power until such time as the so-called sound money policy which they are supporting shall fall a victim of its own unsoundness.

No country ever yet has existed half-prosperous and half-impoverished—impoverished in the midst of plenty!

II.

Shortly I shall return to round out these remarks by outlining what has been done during this Administration to alleviate this senseless situation—and then to express my convictions as to what must be done to restore financial normalcy.

But before enlarging upon that subject may I first speak to you about war—war in the past; war in the future.

These thoughts will have a bearing upon this monetary problem.

In the spring of 1917, Mr. Balfour, the British foreign secretary, paid a hurried visit to the United States.

It was his mission, having explained the desperate situation of the allied cause, to persuade our nation to sever relations with Germany and ultimately to join Great Britain and the Allies.

After the German representative, Bernstorff, was sent home, Mr. Balfour, now returned to England from the United States, worked unceasingly to gain his ultimate end. His workshop was the American Embassy. His unconscious tool was Walter Page, the American Ambassador.

Thus on March 5, 1917 Walter Page sent the following decoded message to President Wilson. It is one of the choice documents relative to the World War. It reads as follows:

"To the President:

March 5, 1917.

"The inquiries which I have made here about financial conditions disclose an international situation which is most alarming to the financial and industrial outlook of the United States. England has not only to pay her own war bills, but is obliged to finance her Allies as well. Up to the present time she has done these tasks out of her own capital. But she cannot continue her present extensive purchases in the United States without shipping gold as payment for them, and there are two reasons why she cannot make large shipments of gold. In the first place, both England and France must keep the larger part of the gold they have to maintain issues of their paper at par; and, in the second place, the German U-boat has made the shipping of gold a dangerous procedure even if they had it to ship. There is therefore a pressing danger that the Franco-American and Anglo-American exchange will be greatly disturbed; the inevitable consequence will be that orders by all the Allied Governments will be reduced to the lowest possible amount and that trans-Atlantic

trade will practically come to an end. The result of such a stoppage will be a panic in the United States. The world will therefore be divided into two hemispheres, one of them, our own, will have the gold and the commodities; the other, Great Britain and Europe, will need these commodities, but it will have no money with which to pay for them. Moreover, it will have practically no commodities of its own to exchange for them. The financial and commercial result will be almost as bad for the United States as for Europe. We shall soon reach this condition unless we take quick action to prevent it. Great Britain and France must have a credit in the United States which will be large enough to prevent the collapse of world trade and the whole financial structure of Europe.

"If the United States declare war against Germany, the greatest help we could give Great Britain and its Allies would be such a credit. If we should adopt this policy, an excellent plan would be for our Government to make a large investment in a Franco-British loan. Another plan would be to guarantee such a loan. A great advantage would be that all the money would be kept in the United States. We could keep on with our trade and increase it, till the war ends, and after the war Europe would purchase food and an enormous supply of materials with which to re-equip her peace industries. We should thus reap the profit of an uninterrupted and perhaps an enlarging trade over a number of years and we should hold their securities in payment.

"On the other hand, if we keep nearly all the gold and Europe cannot pay for reestablishing its economic life, there may be a world-wide panic for an indefinite period.

"Of course we cannot extend such a credit unless we go to war with Germany. But is there no way in which our Government might immediately and indirectly help the establishment in the United States of a large Franco-British credit without violating armed neutrality? I do not know enough about our own reserve bank law to form an opinion. But these banks would avert such a danger if they were able to establish such a credit. Danger for us is more real and imminent, I think, than the public on either side of the Atlantic understands. If it be not averted before its manifestations become apparent, it will then be too late to save the day.

"The pressure of this approaching crisis, I am certain, has gone beyond the ability of the Morgan financial agency for the British and French governments. The financial necessities of the Allies are too great and urgent for any private agency to handle, for every such agency has to encounter business rivalries and sectional antagonisms.

"It is not improbable that the only way of maintaining our present preeminent trade position and averting a panic is by declaring war on Germany. The submarine has added the last item to the danger of a financial world crash. There is now an uncertainty about our being drawn into the war; no more considerable credits can be privately placed in the United States. In the meantime a collapse may come.

Page."

This letter is a most enlightening letter on high finance. Combined with many more documents, it proves to my satisfaction that we fought a commercial war for the purposes of: First, to keep our munition factories alive. Second, to prevent a collapse of world trade and the whole financial structure of Europe. Third, to reap the profit of an uninterrupted and perhaps enlarging trade over a number of years. Fourth, to avert a panic and to save the finances of the Morgans.

In its final analysis Britain needed our *"dough"* more than our *"doughboys."*

It is further enlightening to know that by April 6, 1917 Great Britain had overdrawn her account with J. P. Morgan and Company by $400-million—money used to purchase supplies. Great Britain had no money available to meet this overdraft.

The American Government finally paid this $400-million to Morgan out of the proceeds of the first Liberty Loan.

All of this is explanatory why President Wilson called the World War a *"commercial war."*

Now this carefully composed document written by Walter Page, the American Ambassador, under the tutelage of Mr. Balfour was destined to be the political nurse of a national abortion.

First: Our factories closed as a result of the war.

Second: The financial structure of Europe has changed.

Third: We reaped the profit of trade stagnation.

Fourth: We failed to avert a panic.

But we did finance the Allies—the same Allies who are welching on their debts.

Now what is the conclusion, my friends? Simply this: Neither you nor I have any quarrel with Great Britain much less than with Germany who was as much sinned against as sinning.

In other words, we attach no blame to these and other nations for taking care of themselves. But more than ever we return to the thought expressed by George Washington—keeping out of foreign entanglements—minding our own business and taking care of our own people and of our own money.

We do not blame Great Britain, if today as in 1917 she is still attempting to obtain our *"dough"*—our money—as there looms upon the horizon the first dark clouds of an impending commercial war.

We do blame and will continue to blame our Congress and Senate if they permit the tragedy of 1917 to be repeated.

Charity begins at home.

Justice demands that our American dollar be normalized to meet American demands rather than British or international demands.

III.

Today as in 1917, I repeat, Great Britain wants our *"dough"* more than our *"doughboys."* And she is proceeding to acquire it.

But let me tell the story more specifically.

It is the story which shall round out the remarks relative to the breaking down of our depression. It will explain what is meant by *"Roosevelt or Ruin."*

Almost 90 per cent of our monetary troubles are local. I say this in the sense that if we satisfactorily adjust our national finances to benefit ourselves, our foreign financial problems will be more easily solved—in fact they will solve themselves. No more than $11-billion are owed our Government from abroad. We are burdened with more than $200-billion of national and corporate debt at home. Our local dollar is abnormal. Every index points out that it contains too many pennies; that farms, real estate, labor—everything is seriously under-priced.

Now what has been done at home to normalize our dollar?

First: Our gold most likely will be nationalized this week. This means that the National and the Federal Reserve Banks will retain none of this precious metal on which formerly they were permitted to issue at least 2½ currency dollars.

Secondly: This gold ounce will be revaluated from $20.67 to approximately 32 or 35 or some odd dollars.

These two steps in our monetary program we can count upon as accomplished facts. But of themselves they have no direct bearing upon prices, upon multiplying actual dollars and decreasing actual debts.

They are mere preparatory prefaces to the restoration of the 1926 price level. To remain here is to remain in the depression.

At least these moves have been interpreted by the public so favorably that already commodities have made a partial advance predicated mostly upon psychology and confidence —not upon facts—confidence in the President's word of honor.

The future steps are so important that I need employ no superlatives in saying that if they are promptly taken it will be *"Roosevelt."* If the Government determines to rest at ease and proceed no further, it will be *"Ruin."*

The past steps of nationalizing the gold and revaluating the gold ounce will be related, I am afraid, to that type of psychology which can be best analyzed by a psychiatrist.

For a moment let us turn back to the Hoover Administration to learn how futile were the efforts to cure our famine of currency and disease of debt by refusing to face these conditions.

There were three vain efforts made to accomplish this: First came the international war debt moratorium in June 1931. Second, there was announced the creation of a $500-million National Credit Corporation in October, 1931. Its purpose, by the way, was to rediscount frozen bank assets. Third, in January, 1932, there was established the Reconstruction Finance Corporation with a $2-billion capital.

As you are aware, each of these palliatives brought forth a short-lived spurt towards prosperity. But each was soon followed by sharp reversals because not one of them attempted to go to the root of the problem. Three different kinds of pills were administered to a patient who required a major operation.

Coming to our own Administration we find that, first, a wave of optimism swept the country based upon the expectations of the *"new deal"* and our leaving the gold standard. This spurt continued until July, 1933 when the report of our stabilizing the dollar cabled from London caused a greater collapse of confidence, of prices and of productive employment than was thought possible one week before it occurred.

A second movement towards prosperity soon followed in October thanks to the so-called inflationary amendments to the Farm Bill as suggested by Senator Elmer Thomas. But the favorable psychological effects based upon this hope were soon dissipated by the international bankers' campaign to discredit *"inflation"* and to restore the old gold standard.

The third and last trend towards prosperity is now in vogue. It, too, is still psychological insofar as it is based not upon the nationalization and revaluation of gold but upon a promise of President Roosevelt to follow through—a promise that is clothed with the hope of fulfillment.

From this day forward we are witnessing the crucial test of the Roosevelt Administration. It is true that money has been loaned to the farmer to curtail his wheat and cotton production. It is true that 4-million men are working on the

CWA program. But it is likewise true that this policy cannot be continued forever. You cannot borrow yourselves out of debt and we are unable to perpetuate a sublimated governmental dole.

The introductory steps of nationalization and revaluation must be followed by normalizing the dollar in the pocket of the American purchaser so that it will cease buying too much in our own markets. To restore the 1926 price level and American living level and keep it there no matter how many currency dollars are employed to accomplish this is our hope and our demand.

In other words more money is required. It is not sufficient to revaluate our dollar in terms of foreign markets. Nor will the depression be overcome by fixing our international dollar at 60 cents. We are interested in a 100 cent American dollar controlled by Congress and not by the bankers.

Unmistakingly, the handwriting is on the wall. It is evident that in the last few days the international bankers have arrived at a conclusion to fix our trading dollar at 60 cents—not 44 cents where it belongs. They have arrived also at the conclusion to scuttle the idea of a 1926 standard of living.

Why do I say this? Has not the British pound fallen below $5.00 since the President's proclamation of revaluating gold between 60 and 50 cents? Do you think the British are insane? They know what they are doing.

Is it not current in Wall Street and in England that the enormous bond issue of $6-billion to be made by our Government will not be assimilated by the banks unless the gold dollar remains static at 60 cents and that no currency will be issued by the Treasury against the nationalized gold?

The action of certain bankers and economists who threaten the public credit of the Government is nothing less than an effort to coerce the Administration into tying the dollar to the pound at less than $5.00.

It is an effort where every device is employed to bring pressure upon the President, and through him, upon Congress, to the end that both currency and silver—the known quantities—will be omitted from the equation of prosperity. *"Legislate all the psychological revaluation you desire,"* the bankers say to us, *"but hands off silver and an issuance of Treasury notes."*

Thus, from their capital in London the international bankers have announced privately that Roosevelt and silver are divorced. Gold shall continue to be the sole medium of exchange—or rather—the medium of control. And our dollar shall remain as it is.

Those who in this country will serve them, shall be placed upon preferred lists. The rest of us shall remain as we are for a time until confidence wanes and open conflict begins.

In their unfathomable determination to save their own financial structure they will, through the pen of some new Walter Page—their propagandists—tell us that our factories will be opened, our trade will increase, a panic will be averted—provided we arrange through the stabilization of the dollar at 60 cents to keep on sending over *"dough"* as we did in 1917.

To follow out their plans, to attempt recovery with a 60 cent dollar, to delay establishing an adequate currency, to refuse to remonetize silver even for the purpose of floating $6-billion of bonds is to betray our nation, and to destroy its confidence. We can ill afford to submit to the judgment of men who have been consistently erroneous in their principles.

This struggle for financial independence is by no means an innocent battle. We dare not sit by hoping for victory to smile upon us. Action and prompt action is required.

Victory comes only through action—action that boldly forsakes the ten thousand failures of diplomacy which characterized the past—the childish diplomacy which envisions the international bankers and the people sitting down like the lion and the lamb to rejoice!

In this contest no President can succeed by bargaining with the enemy or by endeavoring to convert him.

Decisive, bold action that will be backed by more than 90 per cent of this nation—action which sweeps to victory by dismissing from office the Board of the Federal Reserve banks who opposed him and who will continue to oppose him; action which removes from the hands of private individuals their questionable right to regulate and to issue money; courageous action that does not temporize with establishing the 1926 price level while the millions of citizens continue to suffer needlessly from the ravages of delay and the dishonesty of the dollar. This action is required!

My friends, our ancestors did not overly concern themselves with the relation of the dollar to the pound. They leveled forests, built roads, bound together the East and the West with bands of steel and prospered as no other nation ever prospered independent of the vagaries of the British pound. This we can do again unless we have become too bankerized and internationalized to think and to do for ourselves.

Moreover, England did not concern herself nor did France when they undertook to supply adequate currency for their people. They printed currency and plenty of it to save themselves, to care for their own needs, not caring to pay us their debts and not consulting us about it. But when we attempt to normalize our nation and to meet the pound sterling and the franc on equal terms in the markets of the world, what happens? When we attempt to open up the markets of the British and French controlled India and China, what is the result?

Systematically and diabolically another war scare is being spread throughout the world to frighten us.

War materials are advancing in price. Mussolini tells us we are soon to be in conflict with Japan. The international bankers are once more riding in the chariot of Mars.

Are we unable to analyze the situation? Hardly! It is well known that our attitude towards another war is one where wealth will be conscripted when men are armed. It is boasted in more than one European capital that if we attempt to normalize our money with that of Europe so that markets will be equalized, so that our farmers and industrialists will not be forced to compete at a disadvantage, the international bankers' intrigue will move heaven and earth to entangle us with Japan with the hope of creating such an internal disturbance in America that our financial reforms will fail.

It is only sixteen years since the last shameful commercial war was fought—sixteen years since Senator McAdoo, then Secretary of the Treasury, sat down with Mr. Balfour to discuss how much money it would cost to save the Allies; sixteen years since Walter Page virtually promised that the last war would avert a panic, beget prosperity, enlarge our commerce and save the financial hide of England—and incidentally pay a British overdraft of $400-million to our own J. P. Morgan.

Must we go through all that again as we listen and believe the siren voices of the bankers and their paid economists to stabilize at 60 or 50 cents when every reputable business index tells us that 44 cents is normal?

Therefore, why temporize, why discuss, why consult in the face of this situation? And above all, why should Congress stabilize our foreign dollar at 60 cents—16 cents too high in the light of present figures? If they do, it will be surrender! A 60 cent dollar means continued deflation—and continued deflation means that the farmer, the laborer, the debtor, the taxpayer will repudiate the policies of those who effected such an unjust stabilization and deflation.

A 60 cent gold dollar means that our present currency dollar contains more than 140 pennies. A 60 cent gold dollar means a continuation of idleness for millions, of low wages for more millions and of depression for this nation.

IV.

This week our Congressmen and Senators have a momentous decision to make. The Gold Bill which nationalizes and revaluates this metal is before our legislators.

It is proposed in this Bill to transfer our absolute monetary control to one man in our Treasury upon whom pressure can be exerted after Congress is dismissed and has abdicated its constitutional rights.

There is no fear for the integrity of Mr. Roosevelt and his Secretary of the Treasury. But these gentlemen are not immortal.

Was there not a Warren Harding? Putty in the hands of intriguers!

Cannot his like be duplicated?

Our Constitution proclaims that Congress and Congress alone has the right *"to coin money and regulate the value thereof."*

And the will of the American people is that Congress shall retain that right by keeping the control of gold and by regulating its value from time to time when necessary—not abdicating this right into the hands of an appointed secretary over whom they have little control.

To my mind, if we are to retain the gains already made and ultimately to attain financial independence this Bill should be amended to avoid future complications created by international bankers who cannot control our Congress but who have in the past been able to control an Andrew Mellon in the Treasury.

This Bill not only requires such an amendment as I have suggested. Since it is our monetary Bill—our new declaration of financial independence—why does it not include the remonetization of silver if we are determined to avoid printing press money in the future?

If this action is not taken then the compromise to the international bankers is complete.

These are trying days. But they must be, at all costs, honest days.

Principles must never be deserted. And men who uphold the principles of economic liberty in this struggle must be forcefully supported. There must be no unfair stabilization of our dollar. There must be an adequate currency predicated upon Treasury notes or honest silver. The famine of money must cease.

My friends, your voice in this struggle is your representative's voice—your Congressman, your Senator.

Write him or wire him today that there must be no compromise, no surrender—and be specific. America is through sending both *"dough"* and *"doughboys"* to fight the military and financial battles of France and Great Britain.

Seventeen hundred and seventy-six gave us political freedom. Nineteen hundred and thirty-four must be the birthday of financial freedom—a freedom which the bankers forgot to incorporate in the peace terms of the American War of Independence.

America wants an honest dollar which today means in the markets of the world, one that is not 60 cents but one that is 44 cents; one that for domestic use means 100 pennies in a dollar.

And America is in no mood to transfer its control of the dollar to a one-man dictator not elected by the people, over whom the people have little or no control.

Remember the mentality of the greatest Secretary of the Treasury since Alexander Hamilton!

Mr. Roosevelt is harassed by hundreds of powerful enemies. May God guide him and guard and spare him to see through the lurking dangers by which the wolves in sheep's clothing hope to allure him and his devoted followers to *"Ruin."*

THE PROBLEM OF UNEMPLOYMENT

(Sunday, February 4, 1934)

I.

I HAVE one word more to say about Wall Street and the International bankers before I forsake this subject for a more important one.

It is this:

This morning's *"New York Times"* carries the headline that we are expecting an early stabilization of the dollar.

Although official pronouncement by our Government has been made that no stabilization is immediately proposed, nevertheless, that constant rumor is being circulated. It is current among the bankers of Wall Street that whether we like it or not the international bankers of Great Britain in league with their fellow conspirators in this country have practically achieved the goal of stabilizing our dollar at the present British pound value.

For years the English pound and the Australian pound were penny for penny. But during the last few weeks four British pounds now equal five Australian pounds.

Do you farmers and laborers recognize what this means? Precisely, it means that should we stabilize with the British pound as it is at present the Australian farmer will sell your farm from under your feet. You have no opportunity to compete with him in the markets of the world. The farmer's purchasing power will remain as it is and the market for the factory laborer's produce will also remain as it is.

You can't dream of prosperity unless the farmer is rescued from his present plight and you dare not stabilize the American dollar with the present British pound or else we can hang *"for sale"* on the farms of America or give them as Christmas presents to the Australian farmer.

England was smart enough to use this Australian subterfuge in the present emergency.

I wonder what the bankers of Wall Street think we are. If they would spend more time west of Buffalo in the great industrial centers where wages have been beaten down; where the flood of unemployment still runs rife; if they would pass into the corn belt of Illinois and Kansas, into the wheat fields of the Dakotas and the Rocky Mountain States they would learn more about America and the temper of its people as well as the conditions under which they are living than they can glean as they go grouse hunting on their rich estates in Scotland.

Any serious talk about stabilizing the dollar as it is now in relation to the British pound sterling is just this side of criminal. It will do more to upset the confidence of America than anything else I can think of.

Perhaps it is time for you farmers and you industrialists to warn Mr. Morgenthau of the International bankers' Australian hidden trick which bodes no good for our country.

It is time that we turn our attention away from Wall Street and center it upon the advice of these people who have the welfare of this country at heart.

Words spoken and actions performed in defense of bankers' policies are but hot coals heaped upon the fire of our national indignation.

II.

This afternoon may I direct your attention to a phase of our national recovery which requires immediate action.

For months I have been purposely repeating myself on the topic of revaluation of gold and the normalization of our currency. I preferred to adopt the method of the school teacher with the hope of instructing you by sheer and perhaps uninteresting repetition. I considered that unless the facts were presented to you, the Administration might falter for lack of moral support.

Now let us turn our common attention to the next contest. In it we are again faced by the entrenched powers of wealth. It will be a bitter fight, in some respects, with enemies appearing from sources least suspected. It will be a battle of principles—of freedom against slavery, of Christian brotherhood against pagan selfishness.

At least 110-million Americans will be arrayed against 10-million of their fellow citizens to decide whether or not they will be satisfied with a constantly lengthening bread line of unemployment; whether or not there will be such a thing as a living and an equitable wage for the laborer and the farmer and small home owner.

Unless victory smiles upon you, the financial gains of the past two weeks will melt into mist. Unless the battle is won, the economic system of capitalism will be a corpse upon the field of history.

In plain language, what do I infer? Simply this: First: we must face and solve the twin problems of mass productionism and mass idleness. Second: if the 1926 price level is to be restored we must set about immediately to restore the 1926 wage level for all Americans, not for some only.

III.

Is there a problem of mass productionism?

Is the machine displacing the laborer faster than new industries can assimilate him?

Well, let us look at the record of the ten prosperous years between 1919 and 1929.

Industries on which 40 per cent of our national wage earners depend for a living actually employed 900-thousand fewer wage earners at the height of our prosperity in 1929 than in the year 1919, although the production during these years rapidly increased.

In the manufacturing industries our factories produced 42 per cent more units with 546-thousand fewer wage earners during that same period.

Our railroads increased their business by 7 per cent with 253-thousand fewer employees.

Our coal mines surrendered 23 per cent more coal with 100-thousand fewer miners.

Our textile mills, our motor factories have the same story to tell.

It is an incontestable fact that while our scientists, our inventors and mechanics devised typewriters, mimeographs, stamping machines, conveyors and the ten thousand adjuncts of labor saving and mass producing machines, fewer men were required to manufacture the things which we consumed.

It is also an incontestable fact borne out by Government statistics and records that these men who still remained as wet nurses to machinery—men whose function is gradually being limited to press a button here and release a lever there—these men were paid wages hardly commensurate with the small yet vital part they were performing in perfecting a finished product.

Now, complete the naked outline of this rough sketch by remembering that our population increased by more than 7-million during these twenty years when the phrase *"forced idleness"* was coined and learned by an ever increasing number of wage earners—wage earners who were foolishly attempting to fit the round peg of mass production and its evils into the square hole of a decent and respectable existence for themselves and their families; wage earners who remembered that formerly their mothers were queens of homes. Now we watch the mothers of the present generation march to work in overalls to compete unfairly with the factory men.

Associate with it the thought that in our government statistics we do not compute among the unemployed millions of these women let alone the million boys and girls whom yearly we send to compete with their parents either in the factory line or the bread line.

This startling outline of working conditions stands to challenge us who have inherited the culture, the science and the freedom of the ages. Upon its solution depends the preservation of capitalism, of Americanism.

Twenty years of speed, of machine production—twenty years part of which were devoted to the making of bullets, of rifles, of tanks and of guns—of things to kill and destroy—darkened our understanding and numbed our hearts as we permitted the laboring class of our nation to become little better than slaves to a philosophy of production.

But the period of the past four years has sent us all to school. We have had time to think, to learn, to determine. It was a bitter school of experience. But its lessons of *"want in the midst of plenty,"* of the sanctity of man rather than the superstitious divinity of the machine and its profits —these lessons have not been learned in vain.

My friends, this is the charcoal outline of the picture. Today may I begin with you to fill it in with accurate strokes, with measured figures, with human color.

IV.

There are today at least 6-million unemployed men in our nation as well as 4-million others who are working on the CWA.

Everyone appreciates that the CWA cannot last forever. No nation can support an army of 4-million welfare soldiers. But, may I be quick to add that although this Civil Work program is costing the taxpayer $60-million a week, we should not be shocked at this seemingly useless expenditure which here and there has been associated with petty graft.

Go back but sixteen years and recall the existence of a similar army, recruited at the expense of $1-million a minute. That money was appropriated cheerfully. It was appropriated to kill and destroy.

Let there be no complaint in this emergency when money is set aside to preserve and save 12-million citizens.

I do not relish the existence of this makeshift method of employment. It can't last. Its presence amongst us is an open confession of our past stupidity. Its continuance amongst us is a certain step towards Fascism.

However, we were forced to choose between the two evils of letting our citizens starve and rot to death or else feed them at the expense of the public taxpayer.

That is the first guide line in our picture. The second is also associated with another government activity—the NRA.

V.

As you continue filling out the lines on our canvas, do not forget to place the NRA in its proper position. This act as it stands is not the end but only the beginning of a huge industrial modification to be brought about by the Government.

The Government is not in business. But henceforth it does not plan to let business be uncontrolled by the Government.

Now among other things which the NRA accomplished is the elimination of child labor. For this we need not applaud. Industry should bow its head in shame for having permitted such a barbarism to have existed. Its most important contribution to social justice was the limitation which it placed upon hours of labor and the minimum salary for labor. In these two spheres the NRA has functioned but very poorly.

Now it is our ambition to restore industrial and economic America to the 1926 standards.

The question is therefore pertinent: How has the Recovery Act operated towards this goal?

Here are the official figures that do not bear contradiction.

In July, 1933, industrial production increased to within 7 per cent of the 1926 level.

The month of August measured factory production 16 per cent under 1926, while September's figure dropped to 22 per cent under 1926.

October was 29 per cent under and November was 32 per cent below 1926.

The full reports for December and January are not yet available. But we are morally certain that the industrial production for these months and for our present month will not be within 30 per cent of the 1926 industrial level.

We started out with a spurt and are ending up with a splash for two very definite reasons. First, the present limitation of hours of labor and the present minimum wage are not sufficient to solve the problem of unemployment. Second, the purchasing power of the farmer and of the laborer is not competent to consume the products of field or of factory.

Naturally the NRA was and is subjected to much adverse criticism. Too many of its codes were dictated by the manufacturer who is bent ultimately on getting the Government out of his business. The manufacturer's purpose is to emasculate the NRA; to render it superfluous. And up to date he has performed a very successful operation!

But before defining these reasons to which I referred, let me present to you certain other facts which are more or less pertinent to complete this portion of our picture.

In July, 1933, employment was 32 per cent under the 1926 standard.

August saw it reach 30.5 per cent under. September recorded a difference of 24 per cent.

October employment was placed at 25 per cent under the 1926 level.

November was 28 per cent under. December and January employment will be recorded at approximately 32 per cent below 1926.

Now, in the meantime, prices and the cost of living kept advancing.

From July, 1933, to the present month there has been an advance of 3 per cent in these items which, by the way, is almost 28 per cent under the 1926 prices.

In the meantime, what about payrolls and the salaries? That is in what we are interested.

In July, they were 52 per cent under the 1926 level.

Today the factory payrolls are approximately 48 per cent under the 1926 level.

These figures are supplied by the Federal Reserve Board's statistician.

VI.

Now let us view the picture as we have drawn it thus far.

First of all, we will erase from the canvas the CWA which is only temporary and which cannot endure. It was only a guide line.

Either industry must assimilate these men or these men and the 6-million others who have just as much right to the dole jobs as have the 4-million now engaged therein will assimilate industry. I think that every industrialist is keen enough to realize that.

Thus, here is our picture as far as we have gone:

Since the establishment of the NRA, factory production has decreased.

The cost of living has increased.

Factory payrolls and salaries have likewise decreased until they are 48 per cent removed from the 1926 standard provided the figures of the Federal Reserve Board are correct.

This is another way of saying that the earned purchasing power of the nation is unable to help the Recovery program. It gradually decreased throughout the months referred to and the NRA as it stands cannot *"crack down"* on unemployment.

The two definite reasons for all this are apparent. First, the National Recovery Act must gradually lower the hours of weekly labor to no higher than thirty. Get rid of this forty, forty-eight hour week superstition. With our present mass production machinery and our present host of unemployed we can do no better than thirty hours a week. Second, it must gradually increase the minimum wage to approximately 80 cents per hour if there is to be such a thing as purchasing power. Forty cents is slave rates not wage rates.

Before discussing the merits or demerits of these suggestions, let us add a few more strokes to our industrial picture. Then, perhaps, we will be able to form a better judgment.

VII.

Following the argument of this question as presented by the Honorable Clyde Kelly of Pennsylvania, there must be a better co-ordination of surplus capital and surplus labor. In simpler words, capital and industry must learn to share more equitably their profits with labor.

Before me I have a chart of the national income and the national payroll for the years 1919 to 1933 inclusive.

These official figures show that since 1926 while the national income dropped 43 per cent wages and salaries decreased 56 per cent. It was the laborer who suffered most though he could ill afford to suffer.

And during these same years of jazz productionism—even in the years of 1930 and 1931 when the depression was upon us with all its fury, the interest and dividend payments to the industrialists, to the bankers and to the wealthy, hardly diminished. These are the most astounding figures ever contained in an official document. They show that while profits on investment to the wealthy increased 66 per cent between 1926 and 1932, wages and salaries during that same period did not increase. They decreased 60 per cent.

What phrase shall we employ to term this injustice other than *"exploitation of the laboring class."*

The sacred 6 per cent profit must be made by the wealthy investor even though he slashes wages and decimates the ranks of his workmen by substituting mass production machinery which does the work of ten, of twenty, of fifty men—machinery that neither rents a house, wears shoes, eats food nor sustains the purchasing power of the nation; machinery that was let run as wild as the jazz finance that protected it.

The picture of the city employment problem which we began to draw is rapidly progressing. Be patient while a few more lines are penciled.

VIII.

Although he has been treated less humanely than were the American machines, nevertheless this wage earner is an American citizen.

It is he who pays taxes on the home he hopes to own. It is he who shoulders a gun in times of war and in peace again shoulders the tax burden engendered by the war.

Let us look at him for a moment as the taxpayer. This audience will be shocked to learn that during these past twenty years—ending in 1932—while the machine was displacing the man, while purchasing power for the workers was failing to keep pace with profiting power for the investors, while wealth was being concentrated in the hands of a few, our public debt sky-rocketed 659 per cent. It sounds almost fantastic to state that our Federal debt alone increased 1,769 per cent during that period. Nevertheless, it is true.

Are you interested in the actual figures?

Here they are:

According to the United States Census Bureau the year 1912 showed a total national debt of $4,850,460,000, which rose to $36,822,004,000 in 1932.

The Federal debt's share of this stupendous sum was $19,225,532,000, which by the year 1935 will amount to approximately $31,830,000,000.

You should study astronomy to write these figures, let alone comprehend them.

This total Government debt in 1912 or 1913 represented an average far below $100 for each person. In 1935 it will have increased to approximately $1,500 for each individual.

Close to $1,600-million will be expended in interest upon this debt next year. This the unemployed and the underpaid laborer and farmer is expected to pay. How long can the fallacy of squeezing blood from a stone endure?

Now at the present time nearly 80 per cent of our total taxation is obtained from homes, farms and real estate.

Without pausing to consider the sanity of extracting so much tax money from the homes and farms and real estate of the nation, it is to the point to remark that rentals and revenues derived from real estate have decreased 48 per cent since 1929 and that taxes have been seriously in default to almost an average of 45 per cent since that same year. Is that something for the industrialists to consider?

This present unemployment situation—in fact this system of mass productionism—argues none too well either for the bondholders or for the tax collectors who depend so much upon real estate to fill the public treasury.

The laborer who has been the great tax contributor of the nation has fallen under this burden. You can't squeeze blood from a stone. *"No one can give what he has not got"* is an axiom as old as Cicero.

Are not the industrialists of this nation gifted with sufficient vision to see the outcome?

Have they purchased dictionaries which have benevolently eliminated the word *"repudiation"* or do they still believe in its definition and possibility?

The answer to the tax problem as well as to the unemployment problem is the same: *"Get our 10-million idle men back to work at a profit on a just and equitable wage. Cease living in a fool's paradise by thinking that the CWA with its 4-million temporary dole jobs can substantially remedy the situation."*

Unless this is done our best efforts cannot restrain the inevitable. We are just around the corner from repudiation because of a lack of employment at a profit.

I have drawn this line of taxation on the picture of employment more or less as a background; more or less to point out that the laborer of today is confronted with higher costs of living in the matter of rents, especially, than was the laborer of twenty years ago. Therefore, landlords are compelled by present tax circumstances to increase their rents. The burden of taxation now weighs so heavily upon the public today that annually we pay out in interest alone what was sufficient twenty years ago to practically wipe out the entire Federal debt.

IX.

It is precisely with this higher cost of living that the next stroke on the canvas of our picture of employment will deal.

Last Tuesday gold was nationalized and revaluated. The President has embarked upon his program of restoring 1926 prices.

Of course, the laborer as well as the industrialist know what this means. It implies that real estate will be restored to its normal price. Bread, butter, meat, clothing, medicine, —everything the laborer buys will be raised approximately 25 per cent to 40 per cent above the present price list.

Now it is perfectly logical to assume that no one would set out to accomplish such a program unless he kept his weather eye constantly upon the labor situation.

He will realize that since 1919 and especially during the last four years when wages and payrolls have decreased with a tragic rapidity, the productivity of the average industrial worker has increased. In 1933, astounding as it may appear, the average factory worker produced 83 per cent more than he did in 1919. Since 1926 there has been a gain in production per man power of 30 per cent.

Anyone who attempts to restore the 1926 price level will realize that the 10-million unemployed, that is, provided we discount the CWA workers—he will realize that these men, bread winners or beggars for close to 35-million souls, will find it 40 per cent more difficult to provide for their families.

He will further realize that these men must be put back to work—to profitable, industrial work—; that room must be found for them; that the hours of labor now enacted by the National Recovery Act must be shortened; and above all, that the minimum slave wage must be raised 25 to 40 per cent above what it is today.

No family can subsist and meet the higher cost of living which is most certain to follow the revaluation of gold under $24.00 a week.

No laboring man and no group of laboring men will be content to accept less.

Let industry, in the meantime, take fewer profits. Quit kneeling down before your god of 6 per cent dividends.

Let investors be satisfied to forego their 6 per cent and sometimes their 60 per cent profit. It is better to forego for a year than forever.

Let the people of this country realize that they dare not embark upon a program of raising the cost of living without raising step by step, dollar by dollar, the wages of the employed.

X.

In trying to sketch for you this complicated picture there are, at least, some simple lines to follow.

First: There is unemployment due to mass production machinery which has been allowed to run rampant.

Second: There has been a constant decrease in the pay envelopes of this nation.

Third: There has been a constant increase in the products and the profits for the manufacturer.

Fourth: The National Recovery Act far from being abandoned must enter more forcefully than ever into the regulation of business to the extent of harnessing the machine and establishing a higher minimum wage and a shorter maximum working week. At present it is showing signs of surrender.

Fifth: Taxation that is so dependent upon real estate is futile unless the landlords and the renters, who for the most part are the laborers, are placed in a position to pay these taxes.

Sixth: And lastly, the restoration of the 1926 price level necessarily implies at least a restoration of 1926 wage levels.

In that year our national pay envelope was $49-billion. In 1933 the pay envelope melted to $22-billion. And in 1926 our unemployment was 1,669,000 as compared with the present conservative 10-million.

At present there are those who are busy stirring up agitation in the ranks of industry. And at present there are those industrialists also complaining about the *"exorbitant wages"* as they term them, being paid to the CWA workers.

May I ask a question?

Is industry going the way of the bankers?" I hope not.

Are the industrialists of this nation going to sit back in their old-fashioned complacency expecting that things will go on as usual? Mr. Morgan did. I hope the industrialists will not.

Things are not going on as usual. The laborer has waited for the *"new deal"* and he is going to get it and benefit by it.

No longer will he be satisfied with a curt dismissal.

No longer will he be content to return home with a pauper's pay envelope.

Today he is too well informed and too powerfully bestirred by the lash of needless suffering to endure a repetition of the past twenty years.

He has tasted victory in his contest with the banker. He will not be satisfied until social and economic justice be accorded him by the industrialist.

Either the industrialists will reform themselves immediately or the aroused democracy of our people will accomplish this reform in no uncertain manner.

Unquestionably this reform is in the air and nothing can stop it.

Personally, I should not teach such principles unless I practice them.

Therefore, tomorrow morning begins a *"new deal"* for all the workmen employed in the building of the new church which I undertook some months ago to relieve unemployment in my own parish and neighborhood. I had one church. I did not need the second church. But I started to build it for the sake of the poor men, the poor families in my parish.

Tomorrow a 10 per cent raise in wages goes into effect for every laborer and artisan on the job. Labor will get 55 cents an hour as a minimum; carpenters and form builders —$1.25; masons—$1.40; cement finishers—$1.00; plasterers —$1.40; electricians—$1.40; roofers—$1.10; painters—$1.25; steel men—$1.30; steamfitters—$1.30.

All these figures are as high as the Union rate and higher in most cases.

Already $140,000 has been expended on this building, 80 per cent of which has gone into the hands of the wage earners.

Approximately $300,000 more will be further expended and the wages will be raised as the cost of living is raised.

The same program will be put into effect in my offices tomorrow morning, which employ upwards of 100 clerks, the least office boy of whom never received less than 40 cents an hour.

Tomorrow from the lowest to the highest there will be extended a 10 per cent raise in salaries despite the fact that not once during the depression were these salaries ever cut by one penny.

My friends, the problem is before us and the challenge is at our doors. Its solution is certain. Either we who employ others must discover means and methods to raise their salaries in proportion to the rise towards the 1926 price level or the Government will be obliged to do it for us—or else take your choice—Fascism or Socialism.

Therefore, if I teach that the laborer is worthy of his hire; that a just, a living and an equitable wage must be provided for every American who is industrious and who wants to work; I shall try my best not only to practice these principles but to defend them until they become a part and parcel of our economic life, gold standard, silver standard, credit standard or currency standard notwithstanding. Nothing is going to get in the way of this reform.

I think that I appreciate the difficulties of the employer. I think, also, that I appreciate the perils of cutthroat competition, of starvation wages, of unemployment and of unchecked mass productionism.

My sympathies yesterday, today and tomorrow, shall be with the laborer—from the first down to the last; from the white-collared clerk to the mud-stained ditch digger.

I know that you will be interested in my reading for you a parable from the Gospels that is pertinent to this point.

It is taken from the twentieth chapter of St. Matthew, verses 1-16. It runs as follows: *"The Kingdom of Heaven is like to an householder who went out early in the morning to hire laborers into his vineyard. And, having agreed with the laborers for a penny a day, he sent them into his vineyard. And, going out about the third hour, he saw others standing in the market place idle. And he said to them: Go you also into my vineyard, and I will give you what shall be just. And they went their way. And again he went out about the sixth and the ninth hour, and did in like manner. But about the eleventh hour he went out and found others standing, and he saith to them: Why stand you here all the day idle? They say to him: Because no man hath hired us. He saith to them: Go you also into my vineyard. And when evening was come, the lord of the vineyard saith to his steward: Call the laborers and pay them their hire, beginning from the last to the first. When, therefore, they were come that came about the eleventh hour, they received every man a penny. But when the first also came, they thought that they should receive more: they also received every man a penny. And,* *receiving it, they murmured against the master of the house, saying: These last have worked but one hour, and thou hast made them equal to us that have borne the burden of the day and the heats. But he, answering, said to one of them: Friend, I do thee no wrong. Didst thou not agree with me for a penny? Take what is thine, and go thy way; I will also give to this last even as to thee."*

That is the end of this Gospel excerpt. It is very plain, very indicative as to its meaning to Christians and to those who still believe in that old-fashioned doctrine of being our brothers' keeper.

Every man who wants to work is worthy of his hire and is worthy of a just and living wage. The pagan pretense that no man has hired him did not go with Jesus Christ and is not going with the American people.

This is not an ultimatum. This is simply the American people's concept of what liberty means and of what decency means.

End all the subterfuge, all the argument, all the sophistry, that a man must starve because no one can hire him; that a man's wife and children must become emaciated and go about naked; go about to garbage cans to pick up what is left over from the rats—that is not American and that is not Christian. It is time we stop wrangling over the dollar and over the gold! For God's sake begin arguing about our people.

They are going back to work and they are going to work at a profit. There shall be no more bread lines for America, a land of plenty, a land where we burn wheat and cotton and a land where we burn common sense at times.

That is not all to be said on this subject. I do not intend to let up one iota.

America for the Americans living under the standard of Christ's principles where a fair, a just and an equitable wage shall be extended to every man who wants to work. And if there is no work for him let industry who engaged his youthful strength and his youthful talents be prepared to write and to subscribe for an unemployment insurance and an old age insurance.

PLENTY FOR ALL

(Sunday, February 18, 1934)

I.

WHAT has gone wrong with this world of ours? How can we erase from our vocabularies that horrible modern phrase, *"want in the midst of plenty?"*

Have we arrived at that point in our history when capitalism must be rejected; when socialism or some other economic method of existence must be adopted?

These and a hundred other questions are smoldering in the minds of our thoughtful citizens. Our citizens are determined that this generation of men will discover a safe exit from the economic labyrinth in which we are lost.

That an economic bondage has enthralled us; that a species of financial enslavement has encompassed us no one will deny except those who unduly profited at the expense of the laborer and of the farmer. Although their denials will still continue to be spoken and printed as they flaunt them in the faces of the people, it is a futile cause which they are supporting. For on this day we are serving notice upon the satraps of high finance; upon the high priests of the religion of modern capitalism that they and their system are ready for the graveyard.

Rugged individualism with its concentration of wealth in the hands of a few must pass.

The theory that wealth is identified with gold or with the credits or debts predicated upon gold and which are controlled by private bankers must be rejected. There is going to be no compromise.

The slavish philosophy that a man can be hired or fired from his occupation which pays him on an hourly basis—and then because there is no more work to do, forces him to take his place in the bread lines while the stockholders in industry continue to reap their rewards—that philosophy is doomed.

My friends, the dawnlight of a new era of economic independence has appeared with the nationalization of our gold. But it is only the dawnlight. We must not rest at ease until the noonday brightness of the sun of economic liberty shines above our country. The dark gloom of despair and poverty must be dissipated through some economy other than modern capitalism. A plentitude of facts prove that capitalism is incompetent to save our civilization. A thousand facts indicate that if it is persisted in, it will only destroy our civilization.

II.

If not modern capitalism what will it be?

Now what I am about to advocate is neither the socialism of Karl Marx nor the technocracy of the idealist.

It is simply a practical expression of the Catholic doctrine which defends not only private ownership and private enterprise but also upholds a definite public ownership and public supervision.

The church does not condemn wealth. It does condemn the abuse of wealth.

The church does not condemn borrowing and interest. It does condemn usury which is identified with fruitless debts —with unproductive debts—whereby the lender grows rich, not upon the prosperity of the borrower, but upon his misery and his economic exhaustion.

The church does not condemn mass productionism but it is very vocal in assailing that type of mass production which amasses unjust profits in the hands of the capitalists, leaving little else but tears and fears for the lot of the laborer.

I presume that Christ was called a radical when He inveighed against the oppressors of the poor with His: *"Woe to you Scribes and Pharisees—ye whited sepulchres who place burdens upon the backs of the poor and will not raise a finger to lift them—."*

And I presume that both you and I shall be labeled *"radical"* by the moral descendents of those who not only crucified the body of Christ but who have nailed His doctrines to the cross of human suffering as they continue to cry down anyone who opposes them with the meaningless, blasphemous propaganda of: *"Thou art no friend of Caesar"* —as if the people existed for Caesar and not Caesar for the people!

This is no cheap fling at the Jewish race. Christ was a Jew. So were His Apostles and first followers. But it is a challenge both to the Jewish and Gentile international bankers as well as to the Pontius Pilates of a cowardly capitalism who, when confronted by the tortured, bleeding victim of their system, have washed their hands of him, content to mumble their iniquitous laws which too often were designed to protect abuses rather than to administer justice.

Therefore, if one cares to argue against the following proposals, let him not quote American Civil Law to me, which was conceived, formulated and administered to protect a system and the activities of a system which are as antiquated as the pagan rituals so ably upheld by the Roman laws of old.

III.

Ladies and gentlemen, in approaching this subject, let us be courageous enough to face a few incontestable facts—facts whose presence in our civilization threaten to destroy it unless we master them; facts which oratory and ostrich diplomacy cannot hide.

First: From the official figures which I unveiled for you two weeks ago this afternoon, it is evident that payrolls for laborers decreased while dividends for stockholders increased during the past twelve years.

Second: It is beyond contradiction that while production in factories and industry increased, the number of laborers engaged in this production seriously decreased.

Third: Accompanying these two phenomena the cost of living and of maintaining a family in decency advanced while national, municipal, state and personal debts soared to new highs.

Fourth: These debts generally referred to as credit eventually witnessed a fall in prices in the cases of wheat, cotton and every commodity, including real estate—and this to such a degree that the debts became more and more unpayable as the currency money circulating throughout the nation became extremely scarce.

Fifth and last: Our foreign markets where formerly it was possible to trade our products at a profit are vanishing day by day not due only to the impaired purchasing power of the foreigner but due especially to the fact that foreigners —Chile, China, India and Egypt especially—are fostering the growth of cotton while we destroy it; that these same and other foreigners are now engaged in mass producing many articles which formerly we sold to them; and that Europe is now so far advanced in the development of her grain agriculture that soon there will be no need of her importing one single bushel of wheat from us.

These facts along with the financial banditry and industrial slavery practiced in our own nation created *"want in the midst of plenty."*

These facts must be faced intelligently with the thought in mind that eventually they will conquer us if we do not conquer them.

Meanwhile, there was this momentous negative fact, namely, that credit money was never and will never be extended to a laborer when out of employment based on his capacity to earn. Credit money was only extended to the capitalist when he was either producing or about to produce—and this was based on his capacity to earn. Capitalism constantly disparaged the laborer.

Now, may I ask you this question: If our present system of capitalism continues to be supreme as it now is, will the national payroll increase or decrease in proportion to the increase of factory production?

Or to put it in another way: Will technological unemployment continue to increase under the present system of industrialism; will the wealthy become wealthier and the poor, poorer for a measured time until motivated by the sheer force of the primary law of life—the law of self-preservation—the dispossessed will rise up in their wrath to create a national chaos?

Granting the continued existence of that form of capitalism which more than all other natural causes produced the present misery in the world today; granting the continuance of our present industrial and financial systems which concentrated wealth and bred poverty, there is only one answer. That answer is bloody revolution. My plan is to avoid revolution by progressing from capitalism as we now know it to a better, a saner, a more Christian plan.

Modern capitalism is doomed. It is not worthwhile trying to save it. It has written its own funeral march in the minor key of greed.

IV.

In its infancy, one hundred years ago, and in its maturity twenty-five years ago, the defects of capitalism were more or less negligible. In fact they were virtues.

One hundred years ago there was *want in the midst of need.* Population was increasing rapidly. Pioneers pushed their way into the western wilderness, blazing trails and clearing farm sites. Our own people and the hungry mouths of Europeans needed wheat and rye and beef and cotton. Transportation was required. Thus, as if by magic, bands of steel bound the west to the east. Steamships freighted precious cargoes across the seven seas to provide the necessities of life.

Still there was need—need not only for the necessities of life but need for its conveniences and luxuries. Telephone and telegraph wires were spun from coast to coast, from State to State, from home to home. Industry after industry sprang into existence to satisfy the wants of a thriving people. Shoes and textiles for clothing; copper and steel for plumbing and building;—ten thousand smokestacks belching forth the incense of industry as it fulfilled the law of supply and demand, as it blotted out *want in the midst of need.*

Without Watt and Arkwright this would have been impossible in such a short time. Without the system of capitalism it would have been doubly impossible!

You ask me wherein did capitalism serve? Well, let me tell you. It was an economic system fortunately devised by man at this most crucial period of scientific discovery. In the past our forebears were content to pay as they produced. But with the advent of capitalism it was discovered that it was both possible and equitable for the present generation to borrow money at interest from the future generations or from wealthy fellow citizens for the purpose of speeding production—of building railroads, of clearing farm sites, of erecting universities, of engaging in great public works.

Without capitalism, most likely, Fulton's steamboat today would still be Fulton's folly.

In the days of its maturity, capitalism also served its purpose. Historians are aware that in 1914 *"production,"* the watchword of capitalism, was approaching its saturation point. England and Germany, recognizing that the markets of the world were now at a premium, were engaging in a commercial battle that was soon to evolve into a bloody battle. The death-knell for the domination of the idea of production had struck. A new hour had arrived.

Thus, it was capitalism which both won and lost the war. Billions of borrowed gold were melted into cannon and howitzer. Billions of unearned borrowed dollars were blasted into shell holes and graves. Without this capacity to borrow and, therefore, to fabricate the instruments of war on a scale incomprehensible to the mind of a Napoleon or of a Washington, the Allies would not have triumphed over the Central Powers. It was money that won the war—borrowed money, capital money. But in winning it the victors left upon the fields of France and of Flanders the wounded body of their leader, their champion—the broken body of capitalism.

Was not this system of finance and economy invented to beget production? By what mystic power could the world be persuaded that these millions of corpses, of shell holes, represented production? Scattered like grain from the hand of a giant husbandman, what crop of wheat, of corn, could spring from the billions of bullets other than death?

Yet, despite all this, capitalism survived. For ten years it nursed its wounds. At least the war had taught it how to produce on a scale more extravagantly than ever before. The World War had not only regimented millions of soldiers. Bear in mind that it had likewise produced thousands of scientists who made it possible for one man to do the work of five. Thus, super-production became the keynote of the past twelve or fourteen years. Capitalism was at the peak of its prosperity. Drudgery was eliminated by new machines. Profits for the stockholders were increased. But debts continued to mount. Unemployment began to increase.

And capitalism, the economic system originally established to speed production through a method of credit held in the hands of a few private individuals, awoke in the fall of 1929 to discover that it was suffering from a lethal paralysis—unable to function, unable to move its limbs—a victim of its own greed and stupidity.

What had happened? Well, capitalism was seriously crippled by the wounds it received during the World War. Its war debts sooner or later were destined to overcome it.

But this paralysis coming upon it in its days of senility had wrought a havoc greater than that which was produced by its activities upon the fields of France. Remember that capitalism was and is an economic system which permitted the present generation to borrow from the future on interest for productive purposes. That is its definition.

In its definition that word *"production"* is most essential.

It was not and never pretended to be a system for *distributive purposes.*

It was the best system in all creation to solve the riddle of *"want in the midst of need."*

Yet it is amongst the poorest systems to answer the question of the modern sphinx, namely: *"How shall we proceed to destroy want in the midst of plenty?"*

As I said at the outset, I am not endeavoring to persuade you, my friends, that capitalism as you know it must be exchanged for the strange but apparently popular theory of socialism. I firmly believe in private ownership. I am firmly convinced that there is not enough of private ownership. It is more private ownership that we require. Therefore, let us turn our minds to the future for the purpose of establishing a system that will attain this end. Shall it be towards socialism? Shall it be Karl Marx or shall it be Jesus Christ who will lead us?

To my mind modern capitalism and Marxian socialism are Siamese twins. The public has been taught to believe that they were contradictions. But the public is changing its mind.

The exponents both of modern capitalism and of some brands of socialism both agree that private ownership is inimical to the welfare of the people. Capitalism steadily concentrates all wealth and control of credit in the hands of a few; socialism proposes to crystallize all wealth in the hands of the State.

Moreover, when confronted with the necessary unemployment engendered by the advance of science and the perfection of machines, the modern capitalist and the extravagant socialist have in common the one quack remedy: *"Get all men back to work—work for five or six days a week and, if possible, at double shifts."*

"Speed up production,—and profits," cries the capitalist.

"Earn your bread by the sweat of your brow—the more sweat, the more bread," says the socialist of the Stalin type who, by the way, is of the opinion that his Bolshevists have little else to do in life except sweat!

Both rabid socialism and moribund capitalism are Siamese twins, I repeat, and they are both blind. They fail to see that the problem of production has been definitely solved years ago. *"Less sweat"* is the gospel of today. Man does not live by bread alone. He has other objectives in life rather than constantly worrying over the necessities of his body.

With the aid of the tractor and the gasoline engine, millions of acres provide more grain than we can consume, more cotton than we require. At a speed of better than fifty miles an hour the products of the western fields are hurried to the populous centers of the east. They return freighted with every commodity—shoes and steel, motors and refrigerators, medicine and text books—so rapidly produced that it is impossible for us to consume them without unemployment—an unemployment which, if we have the foresight of a child, must increase unless science comes to a standstill, unless our laboratories are destroyed, unless we surrender all hopes of discovering the secret of the atom, the mystery of the sun's rays and the advances to be derived from increased power and transportation.

The only way that we can prevent the advance of science, the perfection of machinery and the increase of unemployment is to burn down every university that we have, destroy every technological institute and make it a crime for a man to think.

My friends, neither you nor I are pessimists. There will be progress. More advances in production and in science are in store for us, I dare say, during the next thirty years than were achieved during the past three hundred years.

The theory of unceasing manual labor, of constantly mixing bread with sweat—the theory that the existence of the human race is totally identified with these things, the theory that men cannot eat unless they constantly work in a factory—that theory is fallacious in view of the fact that the problem of production has been finally solved and that man has gone one step forward from the matrix of the marsh of his primal existence.

While through the grace of God and man's own ingenuity we have arrived at that condition whereby there is leisure for all—leisure to read, to study, to pray, to recreate ourselves, to practice art—in a word, leisure to perfect the mind and the soul, the important parts of man—we are asked by the capitalist and by the communist to believe that this condition is one of idleness and to get back to the sweating animal body.

"Idleness," the capitalist calls it, because you are not producing in his factory at a profit.

"Idleness," so Stalin-minded socialists term it, because you are not breaking your back and burning up your body in Siberia.

My friends, this generation of ours reminds me of a man who, when eating his oyster, grumbled because he found a pearl.

As a matter of fact, we have found the pearl of leisure. But it will not be ours to enjoy if we continue working under a capitalistic system that predicates one's loaf of bread upon his actual hours spent upon production when production by the very nature of science and as proven by the fulsome facts around us, is gradually demanding fewer laborers and fewer hours. Has God cursed us when He gave us scientists, or are we cursing ourselves by the darkness of our intelligence in clinging to capitalism as the contemporaries of Columbus clung to the fallacy that the world was flat?

Let us rejoice because there is leisure. Let us thank God and our scientists that there is less need for actual production by which a man worked eight hours a day, six days a week. But let us strive to get as much, if not more, mental security out of the present actual production hours as if we had the type of machinery of the 1900 vintage! Let us for God's sake begin to cultivate our minds and our souls instead of standing in bread lines worrying over the necessities of life!

Meanwhile, let us not be misled by the radical who, unable to solve this problem of leisure, dubs it as unemployment and shouts from his soap box: *"We want a division of wealth!"*

What we want is an expansion of wealth—wealth for the wealthy and wealth for the poor; a wealth of time—time, precious time—not concerned with forcing bread and butter, a shirt and a shelter from the greedy, surfeited hands of an overproductive world—but a wealth of time with full hourly, yearly pay to develop the soul and the mind within us after the image and likeness of God Who made us. The conspiracy of capitalism is a conspiracy against the immortal soul of man.

We have been animals long enough. Only a comparative few have broken through the jungle of poverty, of need and of oppression.

Now, in God's own time, when want and need have become sinful in a nation whose fields are fertile, whose granaries are bursting, whose factories are plentiful and whose intellectual genius is prolific—this is the time to establish a new economic system whose watchword shall be *"distribution."* A word unknown to the vocabulary of the capitalist as he bound life and its mysteries and its pains and its poverty to the wheel of *"production-for-a-profit."*

How foolish are the labor leaders and all of us, for that matter, as we quibble with the industrialist for the difference between 50 cents an hour and 80 cents an hour!

He will quibble with you and eventually give in to you. But in the meantime he will install newer machines, newer gadgets, newer labor saving devices—and what will be the result? You will get your 80 cents an hour but fewer hours for work—and less pay in the total—and still there will be overproduction. Instead of leisure, there will be idleness—hungry idleness. Instead of *plenty in the midst of plenty,* there will be *chaos in the midst of want.*

My friends, I do not propose to be an impractical idealist. Nor am I content to be a cowardly defeatist.

If I condemn modern capitalism because by its very nature it does not profess to comprehend the necessity and method of sane distribution, I shall be prepared to offer you a practical philosophy to replace it.

If I am absolutely opposed to living in forced idleness, to the concentration of wealth and credit in the hands of a few, to uncurtailed mass production, to starvation wages, I shall not hesitate to advocate a policy other than modern capitalism which, by the way, is a proven failure. Nor shall I be deterred by the warning that if I am not a capitalist I must become a thoroughgoing socialist.

There are more peas in the pod of intelligence besides modern capitalism and socialism, both of which are incompetent to answer the present problems.

What then is the suggestion which will enable us to escape here in America the atrocities and the seething unrest which are engulfing Europe?

Briefly, a system of *distributing* our national wealth must replace our present system of *overproducing* it and destroying it. A system that pays the laborer when he works and penalizes him when he is forced by a saturated market to cease work; a system where the producer eventually will be forced to discontinue producing because the purchasing power of the laborer will be either destroyed or so limited that he can barely buy the necessities of life—that is the system which must be canceled.

In the new system we must go much further than merely nationalizing our gold. We must also nationalize our banks and print our own money instead of permitting private individuals to engage in this monopolistic, unfair privilege to the further detriment of our nation.

And lastly—and most importantly—as a nation we must issue our own credit that will be based not only upon our nationalized gold, not only upon our productivity in actual factory hours, but upon the actual wealth of the nation—the real wealth comprised of its forests, fields, mines, factories and homes.

In plainer words, this nation must become the United States, Incorporated, and cease being Wall Street, Incorporated. Since money in all its forms is the common denominator of our entire commercial life, let it in all its forms be issued and controlled only by our common Government. This we expect and this we demand.

"Socialism," cries the capitalist. No, not socialism, because socialism, Mr. Capitalist, advocates public ownership of all productive properties which shall be operated for use and not for profit. Nor is it *"capitalism,"* Mr. Socialist. Capitalism denies the propriety of the State's nationalizing any

property while it holds that all productive properties should be operated for profit and not for use in the hands of a few.

Call this new system *"socialized capitalism"* or *"state capitalism"* if you will. But do not identify it with the radicalism of the extreme right or with the radicalism of the extreme left, both of which eventually meet at the equator of chaos.

V.

Let us inspect how this new system would work if we nationalized our currency. Let us see if it would eliminate what, for lack of a more expressive word, we are forced to call a racket. Quoting Arthur Bisbane's syndicated article of February 4th, we read that:

> *"Banker Brown, imaginary name, buys $1,200,000 of United States two per cent bonds. Does Banker Brown pay $1,200,000 to the government? Not exactly. Let him tell you. This quotes a letter from one of the ablest bankers in America:*
>
> *" 'We bought $1,200,000 United States two per cent bonds. Having bought the bonds, we deposited a five per cent reserve with the United States Treasury, or sixty thousand dollars. Then we can issue national currency, which has our bank's name on it. We pay a tax of half of one per cent per annum. This leaves us a profit of one and a half per cent, less interest on our sixty thousand dollars, deposited with the Treasury.'*
>
> *"That complicated process comes down to this: For sixty thousand real dollars the banking house gets the use of $1,200,000 in bonds against which it can issue its own money and make as much as it knows how, lending or investing that. What do you think of our money system and our government borrowing system?"*

It permits bankers on $60,000 to print $1,200,000 currency. Do you think you and I could go into that business? Paper money racketeers!

> *"The government is spending at the rate of a billion a month and the tax load will soon be so heavy as to make everybody think, even the man who pays no taxes, his turn*

will come, when his employer stops employing. The government cannot hire everybody, forever.

> *"Everything must be borne in war and great emergencies, but why insist on issuing interest-bearing bonds, when currency free of interest would be just as good. No difference, except in the color of paper. Geese will say 'printing money would mean inflation.' Does not printing bonds mean inflation, in heaven's name, and interest-bearing inflation at that?"*

I need proceed no further to demonstrate to you the flagrant abuse extant in our currency money which is manipulated in such an antiquated and unsound method by our private bankers when it is possible for the Government to issue non-interest-bearing notes to the Government employes and to others instead of piling up taxes upon the people through interest-bearing bonds.

If the *"new deal"* means anything it does not mean a saddle ride half-way for the people and half-way for the bankers. It is a senile capitalism trying as ever to borrow us out of debt for the good not of the people at large but for the welfare of the chosen few. It is a decayed capitalism predicating all wealth on money, then controlling the money and thereby controlling the real wealth of the country. Bankers did not produce wealth. They produced money—$60,000 bloated to $1,200,000 of paper money. This they called wealth and prevented real wealth from being distributed.

VI.

Now let us turn to the credit aspect of this new theory. This is the most important phase of the new system. When Woodrow Wilson was President he said:

> *"The control of credit has become dangerously centralized. It is the mere truth to say that financial resources are not at command of those who do not submit to their dictation and domination. The great monopoly of this country is the monopoly of 'Big Credits'."*

Commenting upon this thought President Roosevelt said in San Francisco, September, 1932:

> *"Where Jefferson had feared encroachments of political power on the lives of individuals, Wilson knew that the new power was finançial . . .*
>
> *"The problem he saw so clearly is left with us as a legacy . . . We know now that these economic units cannot exist unless prosperity is uniform — that is, unless purchasing power is well distributed throughout the nation."*

And finally, the Head of the Catholic Church teaches:

> *"It is evident that immense power and despotic domination are concentrated in the hands of a few . . . This power becomes particularly irresistible when exercised by those who because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying so to speak the life blood of the entire economic body and grasping in their hands the very soul of production so that no one dare breathe against their will."*

Here, then, are three outstanding persons who realized what a menace capitalistic credit has become.

Under that system of capitalistic credit the wealth of the nation is used only and when more production is profitable and possible.

Does not the present day bear eloquent witness that our wealth is idle in a great part because there is too much wheat, too many bales of cotton, too many mass production machines?

The capitalistic credit system was a system wherein the entire viewpoint of wealth and of money was perverted. For after all, the wheat, the cotton, the machines—these form our wealth. They are our national wealth, while paper money printed by the bankers, or credit money which by the bankers has been regarded as wealth is only its bookkeeping entry.

It was this bookkeeping entry which they called wealth.

My friends, that is why we complain bitterly because credit is idle in a crisis—idle when it is most required; idle when men are working on the dole of the CWA and when millions of others are not working at all. The real wealth is here. It has not vanished. But they who controlled its distribution through the control of credit which they withheld from the laborer and distributed only to the producer when actually producing—they are the high priests of capitalism who tell us to starve in the midst of wealth.

Indeed, it is not that constant labor is required of men in an age when the blessing of the machine has lifted the burden from their backs and has given men leisure to develop their minds and their souls. It is the constant use of wealth through credit that is required. By wealth I mean the real wealth of this nation.

Through the agency of the machine which has given us ample production with ample leisure we are just as wealthy materially though our 80-million laborers and farmers were working 10 hours a day and 6 days a week at a fair wage in the year 1900.

Therefore my contention is this: That since modern capitalism has neither the ability nor the heart to extend credit to the idle laborer and to the distressed farmer but persists in extending it to the mass productionist for production purposes only, it is the high tide of time for us, as a people, to inaugurate a crusade for profitable leisure at the expense of the manufacturer and of the capitalist, and of the wealth of the nation.

In fine, credit must be distributed to the idle laborer as well as to the idle producer. One cannot live without the other. It was not only the capitalist who created wealth! It was the laborer who produced most of it along with the scientist and his machine.

Under this new system, then, which we are advocating and which we are calling *"state capitalism"* (where credit is controlled and allotted by the Government) the laborer as well as the producer has the wealth of the nation to sustain him in the leisure hours of his life—not bestowed upon him in the fashion of a dole, but extended to him as a just reward for his having helped establish that wealth.

Call this credit by what name you will—a bonus, a check, or an unemployment insurance. But call it what you will credits must be issued to all.

Credits controlled by the government and issued against not only the real wealth of the country but the wealth produced by the manufacturer together with the scientist and the laborer.

Thus, as a sample, consider the automotive worker. Ordinarily he works at 60 cents an hour for five days a week for six months a year. Under the system which I propose the motor capitalist and stockholder shall hand credit bills to that worker during his idle months. He will be paid in his forced idleness which after this we are determined to call leisure. Every two or four weeks during the idle period this worker will appear at the paymaster's office of the motor industry. He will receive his check just as if he were working full time and just as regularly as the stockholders receive their dividends whether the factory is working or not. I do not advocate six months idleness. I advocate shorter hours in this system. I do not intimate that only the credit of the motor corporation shall support these credit checks given to their forced idle workers. I advocate that the credit of the nation shall share the burden and that this credit shall be taken out of the hands of the private capitalists and put into the hands of the United States Treasury where it belongs and where it can work and where it can serve, serve the people and not serve the chosen few. In fine, the laborer who lives by the year shall be paid by the year.

The day has arrived when we who have amalgamated our lives together as one people in this nation shall cease to be governed, exploited and impoverished by a corporate group of bankers and banking controlled industrialists.

The day has arrived when credit must do the work for 24 hours a day and for 365 days a year. The time has arrived when men can begin to develop their bodies, their souls and their minds instead of sweating for a loaf of bread. They will have time to pray for the grace of God.

This system was born in the past when there was *want in the midst of need.*

A new system of credit for all, poverty for none has been born in an era where there is *want in the midst of plenty;*

born to rise up to erase that word from the vocabulary of men.

Ours is the inheritance of the ages. For centuries our forebears struggled against the inclemencies of weather, the upheavals of nature, with no other weapons save their hands and the crude tools which they fashioned. Famine and starvation were fought with only the oxcart to bring relief. How distant are we from them! The hum of the dynamo, the purr of the engine, the power of the stamping press and the speed of the tractor, the accuracy of the lathe —ten thousand inventions have enabled us to rise from the strivings after things needed for our physical life. They have become as common as the air we breathe or the water we drink.

The day has come when we can stand up and look at our God in heaven willing to love Him, to serve Him, to adore Him.

My friends, this system of which I have spoken to you today is simply a system evolved from the principles of "Thou art thy brother's keeper." It is the system which has sprung from the heart of Jesus Christ.

Read you the Sermon on the Mount or envision your God as He hangs crucified on Calvary's heights, His hands transfixed—hands that only blessed and multiplied; His feet nailed to the cross—feet that only walked to bring benedictions; His heart pierced—a heart that had only loved us!

Christ our brother, Christ our God, Christ Who commanded us first, last and always to love God with our whole heart and soul and our neighbor as ourselves. And then ask yourself: "If I must love my neighbor as myself, must I not begin by helping my fellow men—workingmen and farmers—to enjoy the fruits of the earth, or shall I hold my fellow men in bondage and in starvation, preferring to protect a system that begets want in the midst of plenty?"

UNITED STATES INCORPORATED

(Sunday, February 25, 1934)

AS anticipated there was a considerable and favorable reaction to last Sunday's lecture in which I stated that modern capitalism as we know it is not worth saving. In fact it is a detriment to civilization.

This conclusion was already accepted by millions of our citizens. Yet through the fear of being classified with communists they refrained from giving articulate expression to their thoughts.

Modern capitalism, first, is identified with individualism. On every occasion it defends its existence by supporting only one kind of ownership—private ownership. The Catholic Church, on the other hand, insists on the twofold aspect of ownership—public as well as private.

This most conservative of all institutions through the words of Pius XI records its position by stating:

> *"Let it be made clear beyond all doubt that neither Leo XIII nor those theologians who have taught under the guidance and direction of the Church have ever denied or called into question the twofold aspect of ownership which is individual or social accordingly as it regards individuals or concerns the common good . . . If the social and public aspect of ownership be denied or minimized the logical consequence is individualism."*

Secondly, modern capitalism is wedded indissolubly to the theory that wealth in all its forms shall be identified with money which is controlled and operated by private bankers and concentrated in the hands of a few individuals.

Against this theory the Catholic Church speaks most vehemently. It absolutely condemns the concentration of wealth which in the words of the same Pius *"must be distributed amongst the various individuals and classes of society so that the common good of all thereby will be promoted."*

Thirdly, modern capitalism is partially predicated upon the fallacy that the laboring man is worthy of salary just as long as he is actually engaged in production.

Fifty, sixty, eighty cents an hour is paid to the laborer under modern capitalism only on the basis of his actual work. When the work ceases, salary ceases. When the demands for factory production are met the laborer is supposed to take his stand in a breadline and become a howling radical because he does not subscribe to the heresy that a man shall eat only as and when he sweats.

This pagan theory is likewise out of harmony with the teaching of the Church which is very specific in stating that:

> *"It must be noted that the appeal made by some to the words of the Apostle: 'If any man will not work, neither let him eat' is as inept as it is unfounded . . . In no sense does he teach that labor is the sole title which gives a right to a living or to profits."*

On these and other principles upheld by the Catholic Church do I oppose modern capitalism because by its very nature it cannot and will not function for the common good.

It is a system designed for production. Our need today is for a system that understands distribution.

I.

It is strange, perhaps, to hear a priest of the Catholic Church speak of public ownership. Yet the Church has always taught what she teaches today regarding this topic.

It is stranger, indeed, to hear a priest of this Church advocate an economic system other than modern capitalism.

The Church saw the birth of capitalism and likely will witness its death. Steadfastly she believes in that economic system which supports both public and private ownership, fair wages, distributed profits—in one word she upholds that economic system which teaches and practices that men are their brothers' keepers—not their exploiters, not their slave drivers!

II.

Thus, may I explain more clearly the thoughts expressed last Sunday relative to credit. It is my hope that if you ladies and gentlemen must forego modern capitalism which is bound ultimately to starve you and your children to death, you will avoid becoming communists. There is a middle course, a Christian course to follow.

My friends, do not forget that there is plenty for all—plenty of food, of shelter, of clothing; plenty of medicine for the sick; plenty of profits; plenty of leisure for you and me to expend upon learning, upon entertainment, upon cultivating both the mind and the soul. God wants you to use your leisure. Modern capitalism prevents your using it.

There is plenty for all. But it is being withheld from the laborer because he was ass enough to believe that he can eat only when he sweats. In 1929 he thought that soon he would have steady work. Now he knows differently. He knows this is no depression through which he is living. This is the breakdown of a system which was designed for production only. As long as this system is upheld there must be want in the midst of plenty.

The laborer as well as the scholar knows this.

The laborer is not satisfied to sit on the curbstone of time while the wreckers of the vehicle of progress patch up their *"one hoss shay"* only to meet with another and a worse accident.

He is ready to demand transportation in the new motor car of Christian capitalism—of divided profits, of permanent revenue, of public ownership of those things which today are manipulated for private greed!

Newspapers are prolific with reports that prosperity has arrived. Through billions of dollars borrowed from the bankers—bankers' dollars of which I shall tell you presently—through these and through the CWA activities, industry has been stimulated at fifty cents and eighty cents an hour.

But how long will it last? Only until production-for-a-profit ceases. Then comes the so-called *"cyclic lay off"*; then idleness; then the increase in taxation to pay back the borrowed billions! This hypodermic prosperity is only hastening the death of the patient!

I believe that human intelligence has progressed far enough that a method of stimulating confidence similar to holding a carrot continuously in front of a donkey's nose to produce speed has ceased to deceive the people.

Even an ass has a rudimentary sense of proportion between miles walked and carrots captured.

And the American people are aware that capitalism as recently practiced under the theory of production-for-a-profit —careless of distribution, careless of a constant purchasing power among the consumers—our people are aware, I repeat, that the carrot of advertised prosperity is tied to a pole of money control so that it is not just around the corner but always just before their noses—never in their mouths!

This patchwork policy of mending an impossible system to function for another year or so and then create worse suffering than existed in 1932 is not going to satisfy; is not going to deceive us. There is plenty for all. We have a right to acquire our share of it.

III.

My friends, there is no need with modern machinery for you to work more than thirty hours a week to have all the money you require. With the advance of science there will soon be no need for your working more than twenty hours a week.

The point is this: In all justice you and your family are deserving of a comfortable and permanent living by working only so long as production is required to meet the demands and the needs of the consumers.

Now, if there is plenty of everything in this country—plenty of foodstuffs, of factories, of workers, of scientists—plenty of leisure, plenty of everything except money, why put up with the policy of *"no money, no industry; no production, no consumption; no sweat, no bread!"*

The modern capitalist is as radical as the modern Marxist in his concept of money and wages.

Both regard it as a medium of control. The former concentrates it in his hands at the expense of the laborer. The latter, believing that the population is poor because a few are rich, wishes to confiscate it from the bankers and millionaires.

The point is that both the capitalist and the communist wish to retain the heresy of bankers' money. Neither the capitalist as we know him nor the Marxist of Union Square stop to think that there is plenty of decent money, of United States money, for all if we but rationalize our system of creating it and managing it; if we rid ourselves of bankers' money and adopt a system of United States money.

In speaking of money let us remember that it is not gold as we were erroneously taught a few years ago. Are not our purchases, our salaries, paid in paper—paper bills and paper checks? That is not gold.

Are not the majority of paper bills nothing more than *"promises to pay"*—or in other words—debt money, just as are the checks? If you are fortunate enough to have a five dollar bill, read what it says on it.

Of these things I remind you, Mr. Workingman and Wage-earner, because this credit money which should be approximately dollar for dollar with the actual wealth of our country; this credit money which should be owned, controlled and justly distributed by our Government, based on the actual wealth of the United States, Incorporated, is now owned, controlled and mismanaged by private bankers who create and destroy it at their will and then tell us that you may not work, you may not earn, you may not eat, you may not enjoy the fruitfulness of our fields and the genius of our inventors because there is no money, none for you; none for distribution after production has been satisfied! And why? Because if there is too much credit money in circulation—based only on gold, their banks will perish. If there is too much currency, their racket of confiscating homes, of foreclosing on mortgages, of bloodsucking industries, of clipping nonproductive coupons will suddenly cease. Bankers' money must be limited to 12 times the actual amount of gold or its equivalent which the bankers possess. Bankers' money is not the cause of prosperity. But it is the sire of poverty. It is bankers' money that is conspiring against industry, labor and agriculture!

Do not lose sight of this fact, then, that at least 90 per cent of all our modern money used in business is simply credit money—checks or paper bills which, in our advanced civilization, supplies buying power.

Do not forget that it is scarce—purposely and necessarily scarce as long as wealth is defined in gold.

The United States of America with all its lands and mines and homes—with its wondrous forests and teeming lakes, with its factories and dynamos, its railways and telephones, its populated cities with their marvelous improvements, its myriad developments fabricated by the genius of the most industrious people in the world—these are our real wealth. Gold is not wealth. Our nation is our wealth. This, my friends, is conservatively estimated at $400-billion.

Such is the wealth expressed in dollars of this vast corporation, this mammoth industry known as the United States, Incorporated.

It is a rough estimate of a wealth that inevitably will increase with every new furrow that is plowed, with every new device that is invented, with every new home that is established.

It is this wealth against which we as a nation can issue credit and supply a badly needed purchasing power to our citizens who are not only willing to work for the purpose of producing all and more than we can use, but who are willing and anxious to purchase motor cars and clothing, refrigerators and foodstuffs, homes and education.

This, my friends, is being denied our citizenry because after having withdrawn our gold from circulation; after having nationalized it and recaptured it from the hands of the bankers, we are content to want in the midst of plenty because these same bankers still control our credit and base its existence upon the figment of an antiquated system of bookkeeping and of gold they do not possess.

They admit that credit of the capitalist can be expanded only 12 times over and above the gold or the gold certificates and their equivalents held in their banks.

They are forced therefore, to admit that capitalistic credit is based on a very small portion of our wealth, namely, gold.

Against this $400-billion of national wealth that is really available not more than $40-billion of bankers' credit will be extended this year or next year or probably any year. Not more than one tenth of our credit is being utilized!

No wonder there will be ten million unemployed by the end of May! There will be twenty million unemployed two years from now unless we scuttle the idea that gold is wealth; unless the Government takes over the job of issuing credit against the real wealth of this nation not against the figment called gold.

There is no use of my trying to deceive you, my friends.

Let's have the truth.

Purchasing power distributed fairly to *all* our people—steady, constant purchasing power based on nationalized credit and not on gold alone is required.

Let's put the wealth of the country to work and turn forced idleness into civilized leisure!

Today nine-tenths of our national wealth is energy unused; nine-tenths of it is standing idly by in the face of a crisis greater than that of the World War.

Fourteen years ago the life of a nation was at stake. Bankers then knew how to use their vacuous credit which they created out of nothing.

Today the life of our civilization is at stake, while we as a nation do not know how to use our tremendous credit, our tremendous wealth which can be built upon realities.

My friends, you have your choice between the temporary survival of our present money system and the destruction of our country or else the preservation of our civilization and the immediate annulment of our vicious money system that will not and cannot use the wealth of the nation for its preservation.

Money and credit must be nationalized.

Unless this is accomplished almost immediately, I pity you poor laborers and farmers, industrialists and merchants because of the gloomy prospect confronting you!

Unless following the nationalization of gold there comes the nationalization of credit, I would not hold forth a penny's worth of promise to an industrialist, to a stockholder or to a merchant.

The wealth of the nation must be employed by this nation to produce credit for all and prosperity for all. Profits must support leisure or national losses shall follow in the wake of national idleness. There is no prosperity without purchasing power from the highest to the lowest.

This is merely the application of that doctrine which teaches that *"labor is not the sole title which gives a right to a living or to profits."*

Only through this principle of *"profits for all"* can the purchasing power of this country be sustained.

Here, then, we have no currency inflation. It is a system of credit stabilization.

Before 1933 private bankers of the school of modern capitalism established approximately $250-billion of credit upon $4¼-billion of gold. That was credit inflation. We propose that our credit will be backed dollar for dollar by the wealth of the nation!

State capitalism or Christian capitalism proposes to abandon the idea that gold is the only basis of wealth. In its stead it is willing to keep gold as the measure of value, if you will. But it proposes to regard as real wealth all those things which serve human well-being by sustaining human life—our food, our shelter, our clothing—in a more abundant manner.

> *"Wealth which is being constantly augmented by social and economic progress,"* says Pius XI, *"must be so distributed amongst the various individuals and classes of society that the common good of all shall be thereby promoted—"*

Therefore, let us use our wealth without any credit inflation. Let us use it in a manner that debts will be payable, that production shall be adequate, that consumption or distribution shall be satisfied by opening our eyes to the almost immeasurable blessing of the plenitude strewn around us.

Upon this we can base our real credit money. Upon this platform we can say farewell to man-made, bankers' poverty!

IV.

I promised to tell you something of the origin of the bankers' dollar.

In this week's magazine *"Today"* there will appear a most illuminating article by Frederic C. Howe which sketches accurately this history.

In part, it reads as follows:

> *"Our confusion about money is due in part to our ignorance of its origin. Especially is that true as to the money of the bankers.*
>
> *"For more than 2,000 years—that is, from seven centuries before Christ down to about 1650—the king coined all the money that anybody was permitted to use. If a private individual coined money, he quickly lost his head.*
>
> *"Then for about 300 years—that is, from 1650 down to date—the bankers issued almost all money. The king, it is true, continued to issue gold and silver coins. But these were hidden away in bank vaults, to be used by the bankers for the issuance of private money.*
>
> *"Now, even though this change is not much talked about, it is one of the most important facts in the history of the world. As a result of the transfer of the issuance of money from the king to the bankers, a few thousand men in our country were able to issue sixty billions of bank money against four billions of gold, in the years which preceded the crash of 1929. There is no question about these facts, even though we do not find them in our histories.*
>
> *"This is how it came about:*
>
> *"In the seventeenth century England had a number of particularly bad kings.*
>
> *"During this period the goldsmiths became very powerful. They lent the kings a great deal of money at usurious interest . . .*
>
> *"These goldsmiths were the only persons who had safe places where valuables could be kept. They held the jewels,*

plate and money of the aristocracy. Merchants deposited their gold with the goldsmiths. In exchange the goldsmiths gave the depositor a receipt—very much as the government at Washington issues gold certificates, or yellowbacks, in exchange for bullion. This receipt was more convenient than gold and silver coins. It also was safer. So these receipts came to be used in place of the gold which the receipts represented.

"No one could take exception to this device. It provided a more convenient money than that which the king issued. It is the next step that is significant, and this was a very questionable, if not a dishonest, step. The goldsmiths found that gold and silver accumulated in their hands. It was only called for when people became suspicious of insolvency. So the goldsmiths said: 'I can issue more receipts than I have gold with which to redeem them, and put them also in circulation so long as people do not know what I am doing.'

"This the goldsmiths did. They expanded their receipts in some instances by 500 per cent, in some by 1,000 per cent. The goldsmiths lent these receipts at interest. They lent something they did not possess—a very different kind of money than gold and silver coins.

"Evidently the goldsmiths realized that there was something dishonest about this practice, so they changed the wording on the face of the receipt to read:

" 'On demand I promise to pay.'

"The first of these promises to pay of which we have any record was issued in 1684 by the house of Mr. Francis Child, one of the established goldsmiths of London.

"Now, we think of money as something that has been worked out by men with very serious concern. Yet our money issued out of this dishonest practice of the goldsmiths in financing the spendthrift Stuart kings. If we examine the bank notes in our purse we shall find wording printed upon them somewhere not dissimilar from the wording of these goldsmiths' notes.

"And if we think about it further we shall realize that these promises to pay are merely private debts, notes which

the banker has been permitted to issue, just as if they were money. That, of course, is all any promise to pay is. It is an I. O. U. . .

"This was the first step in modern banking. It involved a second step, and that was the organization of a bank to take possession of this valuable privilege. That bank was the privately owned Bank of England, which was organized in 1694. We think of the Bank of England not only as a very eminent but as a very patriotic institution. Yet its genesis is almost as questionable as the genesis of the goldsmith's note.

"At this time England was in the midst of a civil war—the Revolution of 1688. James II was in France preparing to invade England. The merchants in London who had exiled James II had called in a king of their own, William III, a Dutchman from Holland, who was more to their liking than the Stuarts.

"Parliament was in a panic, as were the London merchants. If James returned, they might lose their heads; they surely would lose their property. It was necessary to raise money therefore to put the Dutch king on the throne and keep him there. So the Whig merchants in Parliament entered into an agreement with the Whig merchants in London for a loan. In exchange for this loan Parliament gave to brother merchants the right to organize a bank. This bank was then guaranteed eight per cent interest on the money its stockholders had lent to Parliament, and along with that the right to issue goldsmith's notes up to the full amount of the loan. These notes were to be used by the bank to be lent at interest. In other words, the bank received eight per cent on its investment, the same as other bondholders, and in addition was given the right to collect interest on a like amount from private borrowers.

"By this act Parliament legalized the promise to pay and gave it a standing as money. It made these promises to pay as good as gold. All the bank had to do was to keep enough gold on hand so that anyone who demanded gold could get it in exchange for his notes.

"In 1863 we in America had a Civil War on our hands, as had the English 200 years earlier. We, too, were without money to protect the Union. Congress had to borrow, and it had to borrow from the bankers. Secretary Chase took the Bank of England as a model. He accepted a loan from our bankers, and then permitted those who made the loan to take their claims, or bonds, to the Treasury and secure bank notes against them up to ninety per cent.

"We did exactly what the merchants in Parliament did in 1694. The banker now got a full return of interest on his bonds, the same as everybody else. He also was permitted to collect interest on his bank notes. Our banking system was not born of any thoughtful consideration for the best possible money. It issued out of a Civil War contract.

"In the beginning Congress was cautious. It required the bankers to keep a twenty-five per cent reserve of gold on hand, against the notes which the bank issued. In other words, it permitted the banker to inflate his money by 400 per cent. But this did not content the bankers. Before they would enter the new system they required this reserve to be reduced. They secured this reduction in 1864, and in so doing inflated their money still further. Even this did not satisfy the bankers, and in 1913, following the financial crash of 1907, they clamored for the right to inflate their money still further. They did this by securing an additional reduction in their reserve requirements. In that year these were cut to an average of six and one-half per cent, the reserve required for time or savings deposits being again reduced in 1917 to three per cent.

"As a result of these reductions in reserve requirements the bankers were able to inflate their money by 1,500 per cent. In 1929, with four billions of legal reserve, they inflated their money, either as currency or as bank credit, to the tune of sixty billions of dollars. This was undoubtedly the most colossal inflation in peace times in all history . . ."

That is the story of the bankers' dollar—a dollar created out of nothing—a dollar that could not exist unless the printing press had been invented.

This system of the capitalist who found gold easy to control and who issued upon it the only credit we had—an inadequate credit that failed to distribute the products of our fields and mines and factories—this system must be abolished. This racket must cease!

Ladies and gentlemen, are you willing to join with me in a crusade against misery, poverty, idleness and disaster?

Are you willing to help our Chief Executive drive the money-changers from the Temple?

Do not deceive yourselves!

They are still in possession of it as long as they control the issuance of our money; as long as they regulate the amount of credits and checks we may cash. Their system of capitalism will give credit to the producer for production only. Their system will starve you in the end.

This is your battle and my battle!

The greatest battle of all!

When you were called upon before to speak your minds upon the nationalization of gold, you were heard.

That was your first victory.

Today I call upon you—taxi driver and factory worker, farmer and artisan, white collar slave and slave in overalls, professional man and industrialist to express your minds in this second battle—this battle for financial emancipation. This victory is the victory of leisure over idleness, of plenty over want, of wealth over poverty, of independence over tyranny.

"Plenty for all!" is our battle cry. The United States, Incorporated and not Wall Street, Incorporated!

V.

There comes again to our national attention the vexed question of immediate payment of the adjusted service compensation to our veterans incorrectly referred to as the soldiers' bonus.

Am I in favor of this immediate payment? There is but one answer. Absolutely yes!

But how should this just debt be paid?

What advantages are there both to individuals and to the nation if it is immediately paid under our present system of capitalism?

In answering the last question first, God alone knows what advantages it will bring to the hundreds of thousands of homes where needless want reigns in all its ugly misery.

> *"It would put purchasing power into every nook and corner of the nation,"* says Mr. Wright Patman, *"into the hands of nearly 4-million World War Veterans who would use it to pay debts, taxes, and otherwise place it in the channels of trade and production."*

Its immediate payment will save the Government more than $1-billion over a period of twelve years.

It will also save the Government more than $10-million administration fees between now and 1945.

It will release the Veterans from the payment of compound interest on their loans—compound interest which in the most deserving cases will eventually eat up their bonus by 1945.

All these things I see perfectly and clearly.

But besides all this, I see just as perfectly and clearly the folly of trying to borrow ourselves out of debt—borrowing bankers' dollars at interest when there is no more need for doing this than there is for my committing suicide.

It is suggested that currency money printed against our nationalized and revaluated gold be used to pay this just debt called the bonus.

Ladies and gentlemen, to this I stand opposed.

Why should we help to restore a bankers' prosperity employing this method for payment?

Why should we burden our gold with unnecessary debts when its chief function hereafter shall be to maintain our advantage in foreign trade?

Or why should our Government borrow more money from the bankers to accomplish the payment of the bonus?

Ex-service men, you fought to make the world safe for democracy. You were regarded as chiselers for asking for your pay—your niggardly pay—when the rest of us at home during the war—factory workers, clerks, salesmen—made as much as 10 or 15 dollars a day.

Your buddies after the war were greeted with fire and sword when they marched peacefully on Washington.

Do you realize that you did not fight in vain to make the world safe for democracy? You did not lose. You won. I do not mean that dream of a political democracy under which you and your buddies were exploited. I mean a financial democracy.

Do you know that the kings and princes of high finance are now whining for mercy? If you only knew your power! You have them at your mercy today!

Do you realize that if one or two million of you ex-service men raise your voices in unison you can finish this cruel capitalism that caused the war through its mad policy of production for a profit?

Do you boys realize that with one more battle you can make this country safe for financial democracy? You can make this country the United States of America, Incorporated.

The thrones of the Morgans are tottering . You can push them over. You will hold them up if you take your bonus money under the present system. You will crush them to the ground, however, if you demand *"credit for all"*—for you and your children; for every laborer, every farmer, every citizen.

You want United States money, not bankers' money!

Surely, we want your adjusted service certificates paid immediately. But you have this one battle to fight along with the rest of us—the final battle—the determining battle of driving from the Temple of America the damnable Shylocks who have made sport of you, who used you like tools —financial Shylocks who wove themselves into your ranks and prodded you to go on record for *"sound money"* as they called it—sound as the bottom of Hades—so sound that it would keep you and your children in their bondage for another generation!

Veterans—your bonus must be paid not with borrowed money, not with bankers' money—but with nationalized credit money. Get this first—the bonus will follow!

Three billion dollars of bankers' money or of currency issued against our national gold will keep Wall Street safe for the Morgans and the Shylocks.

I am with you first, last and always in your fight for your just wages—but I ask you to join with those thousands of us who are in this fight to a finish to obtain your money only after the President and Congress will have nationalized our currency and our credit, and will base credit for all upon the wealth of the United States, Incorporated.

They can pay your bonus now if they drive the money-changers from the Temple. If they nationalize our credit there is no valid reason why this cannot be accomplished within this present session of Congress.

There is no valid reason why your bonus cannot be paid within the next few months. Soldiers, laborers, farmers—are we going to be slackers—or do we fight this thing through?

VI.

My friends, this is the most important crusade which we have ever undertaken.

Its result will be financial democracy or financial slavery.

It is a contest between Christ and chaos!

As a group, this audience has been most loyal and active over a period of years. Thus, if you wish to play your part in driving out the money-changers from their last and most important stronghold, the stronghold of the control of credit, be you soldiers all!

Barricaded behind their banks which control the credit of the nation; fighting in desperation to retain the doctrine that all wealth is gold, your real opponents prefer to call leisure by the name of idleness! They insist and will insist upon poverty in the midst of plenty.

Today I call upon you to league against them as you demand that the $400-billion of wealth existing in our common corporation known as the United States, Incorporated, demanding that it shall be used as required by the Government to issue credits for all. Money to the workman even though his work is complete; money to the old and infirm; credits to all who believe that we are our brothers' keeper!

Whether you are Catholic or Protestant or Jew, I ask you to envision the Lord God Who created you as He hangs upon Calvary's heights crucified for the principles which He taught; crucified for the redemption of mankind.

It was He Who brought into this world the doctrine of *"whatsoever you do unto the least of My little ones you do unto Me."*

Under the symbol of His cross are we organized to be our brothers' keeper.

That is why I ask each one of you to carry about in your pockets or in your purses this symbol of redemption from slavery both here and hereafter; this symbol of brotherly love.

There is a crucifix in my office for you free for the asking if you will address a letter to me this week.

You are either with us or against us. You can't be indifferent.

This crucifix is a symbol of credits for all, justice for all and love for all.

Today as in the days of Constantine, the great Roman Emperor, the crucifix and the principles for which it stands shall conquer.

Written in bold letters in the dark Italian sky when the emperor was beset by his enemies there appeared the words *"in hoc signo vinces," "in this sign thou shalt conquer."*

And throughout the length and breadth of America, fortified with the cross and the principles which it represents we, too, shall conquer by placing brotherhood above slavery and financial liberty over the corpse of financial tyranny.

I will be happy to mail you this crucifix along with today's discourse free for the asking.

THE ULTIMATE AIM

(Sunday, March 11, 1934)

I.

IT is absurd to imagine that the habits of the industrialist and the philosophy of the financialist can be destroyed within a month or a year or a lifetime.

The struggle for physical freedom endured almost eighteen hundred years. Agrarian liberty or the right to own your own home or farm was won only after a contest which lasted more than one thousand years—from the Magna Charta to Queen Victoria. The struggle to destroy political bondage lasted not only throughout the centuries of pagan history. Today there are many battlefronts upon which it is still being waged. And last and most important, economic liberty, which for more than seven years it has been my privilege to proclaim, cannot be acquired in its completeness in a day, or in the life of one Administration.

The physical, the agrarian, the political liberties which we possess are most imperfect in themselves as they exist today. What advantage or thrill exists for the derelict scavenger—an innocent victim of the financial and industrial systems of today—as he gathers the crumbs of existence which fall from the tables of the rich—what matters whether or not he possesses a physical liberty when his hands are bound by the manacles of forced idleness; when his poor hovel of a home is overburdened with taxation or subject to confiscation and when his vote must be cast year after year to perpetuate his bondage?

Liberty as we have experienced it—save the god-given liberty of conscience—is a cheap coin to trade even for the exactitudes of Communism or the fetters of Fascism if these systems of economics supply heat and shelter and a chance to live.

Without economic liberty—and by that I mean freedom from the slavery of fear; from the tyranny which scientifically deprives one of the necessities of life—without that economic liberty, little else matters.

My friends, I still have faith in working out this enigma of existence under the banner of democracy guided by the principles of Christ.

Democracy has not failed. But the citizenry—you and I and our neighbors—have failed partly due to our disinterestedness; and mostly due to the greed and cunning of our exploiters.

Nor has the religion of Christianity failed. Today and forever its virile principles of justice and charity will spring from the soil into which they were trampled to bloom like flowers more fragrantly than ever.

II.

My friends, there is plenty for all. Plenty of food, plenty of clothing, plenty of homes, plenty of factories to supply us not only with the essentials of life but with its conveniences. Plenty of everything except the ability and courage to place our national heel upon the neck of the oppressor—of modern capitalism. Plenty of everything except organization on the part of the people independent, if necessary, of the outworn Republican or Democratic or Socialistic party systems which today as of yesterday appear to be wedded to the outworn heresy of bread and sweat; to the pagan idea that you eat only while you produce and not for what you produce.

The social question today is no longer a question between employers and employees. Employers, employees and unemployed are now all in the same boat—all helpless in the power of high finance which produces nothing but which consumes and controls the wealth which belongs to you and to me.

That statement was not borrowed from the book of a radical. That is Catholicism—Christianity.

> *"It is obvious in our days,"* says Pius XI, *"that wealth and immense power have become concentrated in the hands of a few men. These few exercise in the economic sphere a domination that is despotic . . . They hold and control money. They are also able to govern credit and decide to whom it*

shall be allotted. They hold in their grasp the very soul of production, so that no one dare breathe against their will."

I might add, that no one can eat, can live, can establish a home, can dare procreate children. Instead, to satisfy the greed of modern capitalism and to uphold the system which protects it your machinery rusts, your body deteriorates and your just complaints are labeled *"radical"* by the prostituted panderers of purchased propaganda.

In this contest upon which depends the outcome of civilization the voice of Catholicism shall not be silent. We not only condemn the credit system and, therefore, the modern financial system which disgraces our nation and disgraces us who pretend to the name of Christianity. We stand opposed today and forevermore, if necessary, to the *"whole economic side of modern life which has become hard, cruel and relentless to a ghastly degree."*

Those are the words of Pius XI who continues by stating that: *"The desire for profits has been followed by the unbridled ambition for domination . . . Furthermore business affairs have become scandalously mixed up with the duties and offices of the civil authority . . . and the state has become a slave bound over to the service of human passion and greed."*

There are several obvious thoughts associated with these statements.

The first point, my friends, that is obvious in our present economic life is that a few men—not many—not 10-thousand out of our 123-million citizens—have chained and shackled us to the whipping post of poverty. A handful of pagan minded profiteers have scourged your bodies with want in the midst of plenty and seared your souls with the hot iron of deceit until you believe that starvation, slave wages, slum dwellings, nakedness, the fear of tomorrow and the bitter cup of unemployment are the threads, as it were, out of which the fabric of life is spun upon the loom of their diabolical tyranny.

And the second point that is obvious not only to the mind of Pius XI but also to the observation of any high school boy is that while these few men protest against Government entering into business or into finance, they themselves have forced their way into Government until they have controlled it.

Your Mellons and your Morgans; your Baruchs and your Baileys! Your Treasury Department needlessly attempting to balance a budget; hopelessly trying to borrow itself out of debt; and erroneously refinancing the bloody war bonds to perpetuate a taxation in favor of the few—bloody Liberty Bonds better called "slave bonds" which you and your children are expected to honor for the privilege of having made a shambles out of France and a shame out of civilization.

It was not bad enough to refinance them. It was worse in its effect upon the country last week to bungle the refinancing and to show that the Treasury economic advisory giants were out of touch with market conditions to such an extent as to add to the burden of the taxpayer a stupid overcharge of interest of $4,600,000 by issuing the bonds at ¼ of 1 per cent at excess interest.

What is a little matter of $4,600,000 to the taxpayers especially if it goes into the vaults of the bankers?

If the Catholic Church through its official voice speaks of the *"irresistible power exercised by those who hold and control money,"* the complaint is justified and verified when you read the American *"Who's Who"* and discover *"What's What."* This is the third obvious point well recognized by the American public.

As a rule, the ordinary person knows as little about money as he does of the secret workings of the roulette wheel. He does know that it is owned and controlled and concentrated in the hands of a few. He does know that the only reason why factories are inoperative, why wheat is burned, why economic desolation reigns supreme is because there is scarcity of money—a man-made, bookkeeping scarcity so that the debts contracted yesterday will be twice as hard to pay tomorrow; so that the money-lenders and changers can profit and the non-money-changers can suffer.

More than that, we are beginning to know that there is no difference between the river-front counterfeiter and the marble-front central banker except that the latter has a license to create his money and the former has not.

And finally when we look beneath the tinsel top of the roulette wheel of high finance we discover that 90 per cent of all money in modern capitalism is created by a check book system, by the printing press so blatantly blatherskited by those who operate it.

III.

How does this printing press of the bankers' operate?

Well, forgetting for the moment the paltry 10 per cent of hard money—of gold and silver and of the honest paper printed against it—really we could get along without the villainous printing press were we armed with a fountain pen and a piece of paper. We know, to be precise, that when a bank loans $5,000 to build a home, to operate a factory, to seed a farm, the bank does not risk anything or sacrifice anything.

It does not hand over to the borrower $5,000 in cash or in coin. All it does is to register a mortgage on your home, your factory, or your farm and hand you a check book.

Necessarily bankers' credit is limited although the banker multiplies it at least twelvefold. Necessarily, even this twelvefold multiplication of credit in these tempestuous years will not exceed $10-billion because the banker is still dealing with an ancient world which was concerned with the problem of production and not with the necessity of distributing and consuming the superabundance bestowed upon us by God and by His ministers, the scientists.

In fine, there are millions of persons who recognize that before prosperity can return and remain stabilized credit money issuance must become the prerogative of the nation. Hereafter its amount must not be curtailed by the limitations of a small group of men who have funded together their private wealth. Its limit shall be bounded by the actual funded wealth of the nation.

Today we have more than $300-billion of idle credit because it is considered radical to interfere with the monopoly of private credit. Today factories are idle, deflation still rides in the saddle of destruction because the private bankers protest against lending money except for profitable production. *"Production for a profit"* is their first and greatest commandment.

"Private loans for profitable production" is the second.

Consider these two principles of capitalism.

That is why you laborers are paid only while you work. That is why in this age of mass productionism which hour by hour is becoming more efficient you will experience longer lay-offs as long as both labor and industry must subscribe to the limitations of private credit which can no more keep pace with this modern world than a horse can with Lindbergh. Necessarily, bankers' credit is limited credit. Necessarily, it cannot be utilized for distributive or consumptive purposes.

That is why the voice of the Catholic Church calls this present system: *"An irresistible power exercised by those who govern credit and decide to whom it shall be allotted."*

My friends, I tell you these things with the hope that you will clearly perceive whither we are going in this revolution which eventually tends towards the nationalization of all currency and credit money.

Today the nationalization and revaluation of gold are realities.

Insofar as these two gestures have modified the financial crisis through which we are passing, they are nothing more in themselves than empty pieces of legislation—as empty as sucked eggs.

Unless they shall be followed by the nationalizing of our currency and by the national issuance of credit nothing worthwhile will be attributed to the pyrrhic victory which we have gained.

There must be credit for all. There must be a plenitude of credit money based not upon the limitation of a banker's investment; based not upon the fallacy of production only—but predicated upon the wealth of our forests, fields, mines, factories, homes, office buildings, universities and a myriad other realities which constitute the real wealth of this nation. No longer will credit be predicated upon the heresy of pay-as-you-work but upon the Christian principle of pay while-you-consume-for-having-worked.

A moment ago I thought of asking the question: *"Dare our Government revoke the financial bondage which exists today? Dare we completely drive the money-changers from the Temple—the money-changers who not only trafficked within its sacred precincts but who were the unseen high priests dictating its religion of oppression and conspiring with the Judas politicians how to crucify its opponents?"*

Until recently I should say that we dared not attempt such a revolution against men whom Pius XI stigmatizes as *"those who struggle to acquire control of the state so that its resources—(its resources of field and mine, of factory and home, of power and transportation, of money and credit)—and authority may be made evil use of in an economic way . . . The State,"* so he concludes and so we all conclude who have experienced the tyranny of a Mellon—*"the State has become a slave bound over to the service of human passion and greed."*

IV.

But times have changed. You now know the nature of the struggle in which you find yourselves. You know who are your enemies hitherto protected by the mail and armor of press and court. But you also know that you have a leader to whom you can give your moral support—a leader whose ultimate aim is today unchanged; a leader who has pledged himself to this program.

He will either succeed in accomplishing the restoration of America to Americans where there is plenty for all or we shall fail miserably.

In the meantime he will be assaulted, maligned, impeded and scoffed at. In the meantime each trivial mistake will be emphasized and magnified. Senators and Congressmen—your representatives—will be ridiculed and mocked.

The battle to break the bonds of bankers' control will be waged more fiercely this year than last year. Credit control is the victory sought by both contestants.

Where do you stand? If you wish to know ask yourselves the question why there is over-taxation? Answer it by saying that you are taxed for $20-billion of war bonds most of which was imaginary money loaned to the Government to slay and destroy.

Ask yourselves the question why wages are low? Answer it by saying that there is a famine of national credit money and add that too many big industries have fallen into the power of the bankers who are interested only in profits under an obsolete system that paid only while you worked.

Ask yourselves these or ten thousand other economic questions, and then answer the question: *"Where do you stand?"*

Religion, science and common logic join in answering with you that *"the earth is the Lord's and the fullness thereof"* in contradiction to the bankers' bible which informs you that gold is god and the earth pertains to those who control it.

I have castigated the bankers both by group and by name. Perhaps there was no need to picture the all-powerful financiers as monsters of wickedness and cruelty. Pius XI is not inclined to let them off too lightly; for he says that they who under the present system have concentrated wealth and the control of credit are *"those only who are the strongest, which often means those who fight most ruthlessly and pay least heed to the dictates of conscience."*

Still, I think, we might say that the bankers are ordinary men like you and me, clever enough in their own stupid way of money-creating and money-lending but narrow and unimaginative about everything else including the *"new deal."*

They never take into their office the picture of a cradle. They have never imagined a tender madonna holding her child in her arms. They have never gone into the hospital wards where cancer and tuberculosis have followed in the wake of their profit-grabbing, of their greed, of their damnable cruelty.

Imagination! They have little of it! Imagination and Christianity and loyalty to their fellowmen! They have less of it, as they keep going down that tortuous path that leads to national destruction.

When confronted with the mangled mass of broken bodies, of confiscated homes, of idle credit, of want in the midst of plenty with which they debauched this world they are so totally bewildered that every movement they perform to disentangle themselves enmeshes them tighter in the web of their devisals to such an extent that Montagu Norman has said *"we know not whither to turn."*

The elder Morgan said to the elder Roosevelt: *"You can't unscramble this thing."*

But the modern Roosevelt says to the modern Morgan that this very thing will be done. And 123-million voices will rise in protest if it will not be done.

These are not days for fanciful, frenzied, effeminate words.

These are days when despite heaven and hell we will stand by God's principle of *"love your fellowman as you love yourself,"* remembering that whatsoever you do even to the least of His little ones you do unto Him.

Bankers' imagination!

Did they ever visualize that they put Christ on a hospital cot? Did they ever think as they passed through the slums that they multiplied the cave of Bethlehem ten million times? Did they ever conceive as they stand at a death-bed often made by their own thoughtlessness that they have treated the brothers of Christ as Iscariot treated our Elder Brother; that they have erected ten million crucifixes which point to the throne of God because credit is controlled and because wealth is concentrated in the hands of a few?

Imagination! Not even the conscience of a Christian!

V.

No one hopes more than I do that Franklin Roosevelt will succeed. No one will help him more than I.

I again say: *"It is either Roosevelt or Ruin!"*

I again say with Pius XI in protesting against his twentieth century slavery that: *"It is a violation of right order when labor is used by capital in such a way that all the activity of industry is diverted to the arbitrary advantage of capital regardless of the human dignity of the workers, regardless of the social character of economic life, regardless of social justice, regardless of the common good."*

When things were going well enough, it seemed hardly the Church's business to protest. Then men were content to be ruled by the bankers.

But it is altogether a different thing when our financial system is snatching the food away from the lips of the poor and tearing the shoes from the feet of the children. It is totally different when the problem of production has been solved by the plenitude of God's providence and of man's science.

The system which prevents distribution and consumption of our food, our clothing, our shelter, our conveniences must be shattered. We will not be content to substitute for it the politics of communism which, clinging to the old system, merely transfers the control of wealth and of money from the rich to the poor.

The new system must be programmed on the policy of plenty for all. This can be done by driving from the Temple the money-changers who have usurped both the pulpit of doctrine and the altar of sacrifice—the altar whose stones are dripping with the blood of human beings.

Our blessed Lord has expressed it all in one concise sentence: *"You cannot serve God and Mammon."* This is exactly what we have been trying to do. We have put money on the throne of God—and there it reigns—mysterious, supreme, constantly clamoring for fresh victims.

Before we logically dare hope to see human rights supersede financial rights, both our currency and our credit must be nationalized. This is our ultimate goal.

I wonder how many of you ladies and gentlemen will join in this crusade?

I wonder how many of you are of the opinion that we shall be successful if you remain apathetically on the side lines while the fight is in progress?

VI.

But let us become more specific, as we concentrate on the immediate things already accomplished and about to be accomplished before this final victory will be gained.

First of all, we were thrilled with President Roosevelt's public pronouncement last Monday. He assured us that there was no returning to the moorings of the old system from which we have definitely cut loose. He was forceful in stating that the basic principles of the NRA are here to remain. Wages must be raised. Working hours must be shortened.

It appears to me as one keenly interested in the advance of wages, that the place to begin is at the beginning. In other words, the Federal Government can show a good example by restoring the wage cuts to the civil servants.

There is mass resentment throughout the country against the mania for *"balance-the-budgetism"* which still reigns at Washington, especially when everyone understands that this merely means that the nation must pay to the bankers the interest on borrowed mythical money no matter if postmen and other civil servants suffer. Let us balance first of all the scales of justice. It is as logical to preach NRA-ism and work the laborers in the Navy ship yards 60 hours a week as it is to preach *"raise the wages"* and then fail to do so in the civil servant class.

But passing over this point, it is most difficult for many manufacturers to raise wages under the present circumstances. This fact is certain, namely, that the banks are not extending credit to many manufacturers. They are still victims of *"profit-phobia."* As a proof of it, members of the Federal Reserve System have $3-1/3 billion of idle credit on hand while bills purchased and discounted by the Federal Reserve are $1,700-million below what they were in the black days of March, 1933.

It is apparent that if wages are to be raised, the manufacturer must be helped to raise them either with credit issued by the RFC or by the Treasury. The banks are not co-operating and dare not co-operate in assisting industry by extending long loans because the depositing public has lost faith in them.

Moreover, it is as consistent for this Government to try to build up faith in the present banking system as it would be for the Honorable James Aloysius Farley to campaign for the Republican Party. The bankers may fear our President; but love him, they never will.

However, wages will be raised; labor hours will be lessened. As far as the laboring class and the 11-million idle class are concerned, confidence in the Administration is definitely linked with the success of the NRA. The Government must either enforce it or else the people will regard the Government's promises as so many sissified sallies into the boundless spaces of optimism.

Henceforth it is the duty of every American citizen to support the NRA in its program for shorter hours, higher wages and the God-given right for the laboring man to organize. There is, too, the corresponding duty on the part of the Government to enable the manufacturer to acquire credit money without which he cannot conduct his business.

To enforce one duty without the other is to invite industrial chaos.

VII.

Secondly: The next step in our struggle for economic and financial independence is the restoration of silver.

Yesterday the Fiesinger bill, aiming at the restoration of this metal as a basis for sound currency, was favorably reported to the House of Representatives.

Tomorrow at approximately twelve o'clock, Senator Burton Wheeler will introduce his bill which will propose the practical remonetization of silver.

Tomorrow is the day which I foretold more than two months ago as the day which marks the beginning of the end for the reign of gold.

My friends, I need not plague you with the importance of this piece of proposed legislation which, more than likely, will pass into actual law within a very short period.

You realize that four-fifths of the world's population use silver as basic money. You further realize that it is impossible for the greater portion of the world's population to continue conducting business on a gold standard for the very reason that gold has been practically monopolized by France and the United States.

There is no need for me to rehearse for you the common facts relative to silver. It is an older money than gold. It is as indestructible as gold. Never in all its four thousand years of history did its standard of values fail civilization as did gold, which existed as our standard only since 1873. Even its most bitter opponents must admit that in times of extreme fluctuation in prices, in values and in concentrated flights of the yellow metal the individual staggerings of two drunken men will be less disastrous if they link arms and proceed on their way home with one combined swaying.

Certainly, the restoration of silver will add to our currency, to our credit and to our markets.

Although nature has made gold only 16 times more precious than silver, man has deemed it 80 times more valuable to satisfy the International Bankers who found gold more suitable to their philosophy of control. It was as assinine for the commercial world to outlaw silver as it were for a man to cut off his left arm.

Visualize 1-billion silver trading men and women as our potential customers. Realize that not more than 3 per cent of our produce today is exported abroad.

Have we not need of that 1-billion market, especially since Europe is fast ceasing to be our customer?

For these and for a multitude of reasons I have long advocated the restoration of silver as an auxiliary basic money, not that I regard it as a cure-all to our financial and economic problems but that I look upon its restoration as one of the logical steps towards their final solution.

As a penalty for our not having recognized silver at its approximate value, we have been ostracized industrially from the Orient.

Not so with Japan! Her factories multiplied. Her exports increased. In 1912 she sold to India 8-million square yards of cotton. In 1932 this figure increased to 645-million square yards.

To East India in 1912 she exported 2-million yards which by 1932 increased to 352-million yards of cotton.

The Australian imports of cotton from Japan increased from 3 to 36-million yards in twenty years.

Our own Philippines in 1912 bought only 5-million cotton yards from Japan. In 1932 this figure totaled 21-million square yards of cotton.

During this same period of time American exports were decreasing. From 13-million yards in 1913 to 2-million in 1932 exported to India; from 80-million yards in 1913 to China to 1,420,000 in 1932.

Why was it necessary for us to burn cotton? Why is it still our subscribed policy? Because we depreciated silver and made it impossible for the Oriental to deal with us who even on this very day have 138 pennies in our domestic dollar although our foreign dollar is rated at 60 cents in gold.

If we fail at this moment to restore silver to its normal trading value we are on the way to commit commercial suicide.

In this year of 1934 Japan who was formerly our cotton customer is pledged to purchase 1½-million bales of this product from India. India in return who formerly patronized our textile manufacturers has correspondingly pledged to buy 400-million square yards of Japanese cotton textiles this year.

Why restore silver as an auxiliary basic money? The answer is simple. It is this: It will help the manufacturers of this country. It will help the laboring man of this country. It will assimilate some of the dispossessed CWA workers. And, finally, it will be the next logical step towards freeing the human race from the curse of gold.

Is this in accord with the President's program?

Judging only from public statements, I can offer nothing other than an affirmative interpretation.

On February 13th Secretary Morganthau stated in a letter that it is the firm policy of the Administration to move forward for the purpose of rehabilitating silver.

Previously Mr. Roosevelt publicly proclaimed that he finds it necessary to enhance and stabilize the price of silver in order to raise domestic prices and to protect our foreign commerce.

VIII.

This, my friends, is only a part of the New Deal—an important part—a necessary part. It is only one rung in the ladder which leads to the plane of prosperity.

The first rung was the nationalization and revaluation of gold.

The second, is the restoration and nationalization of silver.

The third, as I see it, is the establishment of a Government Bank of Control which will issue both currency and credit.

The fourth is the complete nationalization of all credit.

The fifth is legislation which will extend credit not only for production but also for consumption.

And the sixth is the total elimination of National Government Bonds. If men must make money, let them make it out of industry, out of agriculture, out of professions.

The day will come within eight years, I trust, when the social movement for the government to finance its own activities from its own wealth will be irresistible.

Towards that day we look as does a wanderer lost in the wilderness of the desert for the first dawn of the rising sun.

Step by step, therefore, let us ascend the ladder which leads to a lasting prosperity.

CAPITAL AND LABOR

(Sunday, March 25, 1934)

THIS Sunday which ordinarily should be dedicated to Jesus Christ, the Sufferer, the Outcast, the Betrayed and the Crucified, finds me in the dilemma of speaking either of His Sacred Passion or of devoting this hour to a discussion of a momentous question which must be answered courageously and correctly within the next few hours. In one sense we are entering upon the holy week of the laboring man as he is crucified on the cross of exploitation—his heart pierced with the sword of grief, his brow encircled with the thorns of distress. There he hangs between the two thieves of greedy capital and of cruel government.

Of him shall I speak, trusting that in this sacred hour his elder Brother, Jesus Christ, will bless him; hoping that at least one thief will turn to his defense with a contrite heart when all the Herods and high priests of high finance mock him and curse him and question his right to live.

First, I shall address you with words that appear to be dry as dust. For a few moments, therefore, bear with me while I outline the Christian principles, the Christly doctrines, relative to capital and labor. Then will I speak to you in concrete language of the impending strike and the acute labor trouble which threaten our nation.

My friends, you workingmen are anxious for peace. You long to own your own home. Surrounding you is the fog of fear, of unemployment, of an economic struggle that is unfair and uncalled for.

You pause to take inventory of the life you have spent. It is measured by gallons of sweat and by tons of steel. It is bounded on the east by a struggle against poverty—and on the west by a prospect of pain.

Yes! There was and is a great love burning in your heart. The girl you wed! The babies she bore you!

There were dreams of a home—a little home where love could stretch his baby limbs; where a pantry kitchen smiled its bounty upon hungry mouths; a row of pegs upon which were hung warm coats and bundles of school books!

Your boys and girls—flesh of your flesh! Your sweetheart wife! Your home! All yours—every flower that grew upon its white walls; every chair which caressed your tired body; every cry of pain and joy which etched its way into the humble house—your home! All yours!

Yes! You pause to take inventory—and you wonder if your dreams will ever come true—you know that they cannot if you and your kind are denied the wherewithal to buy your home—to own your home—to keep your home safe from the shadow of fear.

Thus let me come to you as a priest of God, caring for no living politician, but caring only for your welfare—let me counsel you, let me direct you and inspire you towards the fulfilment of your legitimate and God-given aspirations.

I feel that you will heed me when I tell you of your rights to property and of your duties to your fellowmen—rights and duties that lead us to economic liberty.

First of all I will speak to you of the question of private property, of home ownership, without which a man cannot live and a nation cannot endure.

Now the Christian teaching on this point is definite and clear. We maintain that ultimately and primarily all property belongs to the Creator. Under the title of stewardship the right to own private property has been given to man by Divine Providence so that both individuals and the human race may survive. No man and no group of men may exclude others from ownership.

This title to private possessions formerly was acquired either by occupation, as was the case with the original pioneers of this nation, or by industry, whereby a man through his genius, his labor and his sacrifice, makes something valuable that formerly was either less valuable or not valuable. Such was the case whereby a person carded and spun and wove a few pounds of wool into a cloth, out of which he afterwards tailored a coat.

Altogether different, however, is the condition of our modern factory laborer. He can gain no property by occupation as every acre of ground in our nation belongs either to the State or is already occupied and owned by some individual.

The factory laborer of this day and age when even tools as well as machinery are owned by mammoth corporations, is forced to obtain the private ownership of his bread, his clothing, his home, and his comforts, by hiring out his labor at a profit and under conditions which are profitable.

Ownership that is profitless is worse than no ownership at all.

Ladies and gentlemen, bear that point in mind. None can afford to be ignorant of it. None can dare assail its soundness.

But it is your God-given right, antedating all governments, to own property—at least sufficient property which, through your own industry will permit you to live in liberty.

Now it is evident that the 24-million industrial laborers and the 40-million general laborers of all types in this country depend upon industrial captains and other employers for the possession of private property. It is likewise evident that the owners of the industries cannot man their factories and survive without the laborer.

Truer today than at any other time in the history of modern civilization is that axiom: *"Capital cannot do without labor nor labor without capital."*

Now the natural law which is superior to any civil or federal law, demands that the laborer share justly in the products of any industry or factory wherein he is employed.

The average capitalist has long since disavowed this philosophy. Capital oftentimes appropriated to itself excessive advantages. It claimed all the products and profits and left to the laborer the barest minimum necessary to repair his strength and to ensure the continuance of his class. It joined with the birth controllers to cut down the cost of a family's existence rather than join with the Christians in demanding a profitable wage. By an inexorable economic law, capital maintained that all the accumulation of riches must fall to the share of the wealthy, to the absentee stockholders, while the workingman must remain perpetually in indigence or reduced to the minimum required for subsistence.

The immense number of propertyless wage earners and the superabundant riches of the fortunate few is an unanswerable argument that the earthly goods so lavishly produced in this age of mass productionism are far from rightly distributed and equitably shared among the various classes of men.

In its gargantuan greed capital forgot that it could not survive unless purchasing power and profitable private ownership were shared with the laborer. And today the confused capitalist, wedded to his false philosophy of coercion, of greed, of industrial slavery, stands whimpering for mercy at the bar of public opinion.

Then again, there are the unjust claims of labor. The cause of the harassed workingman was espoused by the radical, by the communist, who, unable to think straight, was driven into his extremity by his oppressor, the greedy capitalist. These devotees of the red flag and of the pink pennant set up in opposition to the standard of capitalism the immoral principle that all products and profits, excepting those required to repair and replace invested capital, belong by every right to the workingman.

This error, more subtle than that of the socialists', who hold that all means of production should be transferred to the State is for that reason more dangerous and apt to deceive the unwary.

This radicalism is growing apace while the *"have-nots"* lust after the possessions of those who have.

Both the radical capitalist and the radical communist preach confiscation and deprivation.

In the middle course stand those who demand a just distribution of profits; a plentitude of private ownership and an equitable management of the bountiful goods which were created to minister to man's needs—to the needs of all men willing to work.

II.

Passing from the principles of private property which underlie a just wage and a just share in the profits for the workingman, let us pause to consider a second group of Christian principles relative to capital and labor.

It is an obvious truth that work or labor—especially hired labor—has an aspect that is social as well as individual. Man is absolutely a social creature in the sense that one man and one group of men are dependent for their livelihood upon other men and other groups of men. Human society forms an organic whole wherein each individual is related to the other as the foot is to the leg, the leg to the torso, the arm to the shoulder, the head to the neck and so forth.

It is just as destructive for the group of capitalists to deprive the group of laborers of their profitable wage as it is for the hand to deprive the mouth of food. Sooner or later it means suicide for both, unless there is harmony in their mutual actions. Science, finance, capital and labor —all must work together for the common good and not for selfish gain if the whole structure of society shall not perish.

Now, because the laborer must be considered as a social as well as a personal unit of the nation, these conclusions follow:

First, socially, the laborer must earn sufficient to keep himself, his wife and his children in decent comfort.

Secondly, it follows socially that children and women must not engage in industrial work of such a nature where the tender years of the former and the weakness of the latter are abused.

Thirdly, from a social standpoint it follows that opportunities for profitable work must be supplied by the Federal authority whose business it will be, if necessary, to regulate business only insofar as the common good of all the citizens is concerned.

And lastly—the aim of social legislation must be towards the re-establishment of vocational groups.

Today capital and labor are in a strained and unstable state. Both are suffering from taxation that is burdensome beyond measure. Both are victimized by financial interests who know little of the problems of the industrialist and care less for the tears of the laborer. Both capital and labor suffer in common from an outworn financial theory which perpetuates a famine of currency and of credit. Both are bloodsucked by speculators in the stock market and profiteers on Wall Street who are banded together and unionized more closely in the pursuit of their oppression than the 40-million laborers of this nation can ever hope to be.

That is the reason above all others that laborers must organize in vocational groups. Until that will be accomplished the laboring man will be regarded as a mere chattel to be hired and fired at will, to burn up his youth on a speed-up line, to fashion beautiful products as if man existed for the product—the motor car and the refrigerator—instead of the products existing for him.

III.

The last philosophical observation is relative to the Christian doctrine on unions.

It is the teaching of the Catholic Church that laborers not only have the right but also the duty to establish vocational groups or unions. These unions must be formed of men who are bound together not according to the position they hold in the labor market but according to the diverse functions which they perform in society. All postmen in one union, all steel workers in another union, all automotive workers in a third union, all bakers in a fourth union, all taxi-cab drivers in a fifth union.

> *"There cannot be any cure to our social disease,"* says Pius XI, *"until the opposition between capital and labor be ended and well ordered members of the social body come into being anew, namely vocational groups, which bind men together not according to the position they occupy in the labor market, but according to the diverse functions which they exercise in society. For as nature induces those who dwell in close proximity to unite into municipalities, so those who practice the same trade or profession, economic or otherwise, should combine into vocational groups. These groups, in a true sense self-governing, are considered to be the natural and spontaneous development of civil society."*

There are two more points relative to unions. The first is this, namely:

> *"Not only are the laborers free to institute these unions which are of a private character, but the laborers have the right to adopt such organization and by-laws or rules which may best acquire their proper objects, namely just wages, equitable share in profits and industrial independence."*

The second point to be remembered is this:

> *Free competition must be abolished both in hiring labor and in selling the products of labor.*

This has been amply proven by the sad consequences that have followed from the free rein given to the sweatshoppers and to the immoral sellers of goods who cut prices and force their competitors to do likewise in order to remain in business. Eventually it all comes out of the hide and heart of the laborer.

To this end, therefore, all industrial and manufacturing institutions must be imbued with the spirit of justice. This justice must build up a social order, a social code of ethics able to pervade all economic activity.

Thus to summarize what I have practically quoted on the teaching of the Catholic Church as contained in the writings of Pius XI:

(a) Man has a right to his share of property.

(b) It is unjust for capital to assimilate all profits.

(c) It is unjust for labor to demand excessive profits.

(d) It is the business of the Government to protect the laborer and to see that profits are justly distributed.

(e) Labor should unionize in vocational groups.

Let me now become concrete and refer specifically to the labor situation as we find it in the United States at this hour.

IV.

For the past ten days our nation has been duly alarmed at the prospect of a strike in the automotive industry. Everyone realizes that Michigan, the powder keg of the banking blow-up, is today the dynamite cap capable of demolishing the industrial world. Should there be an explosion it will bring to grief the steel industry, the mining industry, the textile industry. The entire nation will be rocked at least indirectly.

The United States of America is bigger than any American Federation of Labor and is mightier than any automobile industry. The Government neither dares permit a strike in Michigan at this moment nor dares sidestep the issue of settlement which has been presented to it.

Indecision or inactivity would be an irredeemable step backwards.

In my opinion the Government will act and act justly and sanely.

For more than one quarter of a century Detroit and Michigan have been famous for their motor cars. Today more than 250,000 men and women are employed directly in the manufacture of automobiles and motor trucks. I dare say that there is no industry in all this world that has grown so rapidly or that has created so much wealth. On the other hand there is no industry which has developed with so little lack of social organization among those who are engaged in it. For thirty years the motor manufacturers have clung to the policy that there must be no organization among the laborers engaged in their industry. While the mechanics, the metal polishers, the die-makers and every other type of artisan and laborer engaged in these huge plants were well paid—better paid than in almost any other branch of industry—nevertheless, it became evident year after year that the hourly wage system under which they worked and according to which they were paid was becoming an inadequate means of remuneration simply because the motor industry became and will always remain a seasonal industry permitting the vast majority of those engaged in gaining their livelihood from it to work no more than eight months in the year.

In other words, the laborer who receives 80 cents an hour or $24.00 a week is in reality receiving no more than $16.00 a week on a yearly basis.

With the progress and development of machinery added to the constant speeding up of production the eight months of actual labor in the motor industry will be reduced gradually to six months.

This is the fear which is universally expressed in the minds of the automotive workers.

More than that, every person engaged in making automobiles realizes that when the peak of production has been passed and when thousands upon thousands of workmen have been dismissed from their occupation with no provision for more wages, the stockholders whose money is invested in the motor corporations continue to draw down dividends even though the factories are closed.

Against this evident inequality and unjust practice the workmen in the motor industry are protesting. They maintain and rightly maintain that if dividends are to be paid to the stockholders while factories are closed, wages must also be paid to the laborer.

My friends, this is the real basic bone of contention which is smoke-screened behind the industrial unrest here at Detroit.

Sixteen dollars a week or $832.00 a year spells destruction for the automotive laborer and the capitalist both. Who can live and buy a car on that meager wage? Who can purchase a home? Who can afford to pay taxes on $832.00 a year?

It is idle folly to attempt the continuation of such an injustice!

In order to acquire a just distribution of the profits arising from the motor industry the laboring class recognizes despite all advice to the contrary that the first thing to be done is to organize.

For thirty years the stockholders have been perfectly organized. For thirty years the motor manufacturers themselves have been more or less organized. With the exception of one great manufacturer every other corporation that amounts to anything speaks in unity, acts in harmony, legislates corporatively through the union or organization known as the National Automobile Chamber of Commerce.

Now what is good for the stockholder; what is good for the manufacturer is also good for the laborer. He has just as much right to step out of his factory and organize with somebody in another factory as the head of one motor concern has the right to organize with the head of another motor concern. He has just as much right to protect himself through united action as have the absentee owners who are scattered over every continent on the face of this earth. He has just as much right to seek Federal legislation for his protection as did the manufacturers throughout the past years.

Therefore, in this struggle for the recognition of labor unions the laborer is absolutely on the side of the angels. To protect his wife, his children; to protect the right to live for twelve months in the year when he is permitted to work no more than six or eight months is not only his right. It is his duty. If he does not live up to that duty he is a damnable coward!

Unfortunately the motor manufacturers who have in season and out of season scuttled every attempt on the part of the laboring man to organize now finds himself in a position that is in nowise a happy one. Let me explain: In this nation there is only one labor organization which is vocal enough to be heard in this crisis. I refer to the American Federation of Labor. This organization likewise has existed for practically thirty years. That it has accomplished much good no one will deny. But that it has accomplished as much good as some people expected of it in proportion to the financial support it received no one will claim.

Over a period of thirty years this American Federation of Labor and its affiliates of various unions have collected in dues and in fees an average of $30-million a year—$900-million in all. It spent little of its time and money upon organizing the actual laborer. It was concerned chiefly with organizing the skilled mechanics, the artisans of the nation such as steel workers, railroad men, carpenters, plumbers, electricians, stone masons, bricklayers, and so forth. Until recently it had little success or paid little heed in organizing the 24-million men employed as real laborers in the industrial field.

Its enrollment at its peak scarcely surpassed 4-million. Today it represents no more than 3-million.

It is smaller by far in its numerical strength than are the friends of this broadcasting hour. It is no larger in number than the American Legion and the Veterans of Foreign Wars combined.

No one denies that the principle at the bottom of the American Federation of Labor is just, namely, the principle of organized labor. But like the capitalistic system of modern days the American Federation of Labor is suffering in the public mind from the implication of being organized for a profit.

It is this Federation which the capitalists of the automotive industry are compelled to face—a hostile Federation. Had the motor manufacturers been in the least intelligent they would have helped to organize a friendly and efficient union years ago, instead of fighting against the laws of God and the natural laws of man.

But let me speak further relative to the American Federation of Labor.

It cost less than $5-million for the Republican Party to elect Herbert Hoover. It cost approximately $4-million for the Democratic Party to elect Franklin Roosevelt.

Had the American Federation of Labor and its affiliates been efficient, there is no question but with their $30-million a year, with their $900-million for over a period of thirty years, they who collected this money should have gone thirty times as far as they have gone today. They failed to eliminate child labor. They permitted women to replace men in factories. They stood stupified when the so-called open shop city of Detroit voluntarily raised wages to a minimum of $5.00 a day in the automotive industry. And they set up as their chief representative in this center of mass production a nationally known individual whose name has time after time been associated with racketeering.

All this was unfortunate as far as this organization was concerned—unfortunate for themselves and for the laborers.

In recent months the American Federation of Labor openly and officially protested against President Roosevelt's efforts to restore sound money. This, too, was unfortunate for their prestige amongst the laboring class. They did not have sufficient intelligence at the top of their organization to realize that we are suffering from a financial disease; to realize that as long as the old gold standard capitalistic system continued, it mattered not whether the laborer was paid a dollar an hour or $10.00 an hour because the financialists (whom they supported in their campaign a few months ago in their fight against revaluation of gold and nationalization of our currency and credit) were able to siphon the money from the pocketbooks of the laborers by boosting the price of bread and butter, of shelter and raiment.

A sad thing for the American Federation of Labor that it had not more intelligence to direct it!

In no sense am I opposed to the fundamental principles established by the American Federation of Labor. I am a member of an organization, the Catholic Church, which for centuries has upheld that principle and will always uphold it, namely, the right of the laboring class to organize and through organization to acquire the just distribution of profits which in these latter days have been concentrated in the hands of a few.

Yet despite the harsh criticism which was implied in the words which I have just spoken, the basic principles advocated by this Federation of Labor are also positively on the side of the angels.

If it has been inefficient, so have been the churches in some respects. If here and there mingled amongst its members some were signed with the seal of Judas Iscariot so, too, the same criticism can be launched against a thousand other organizations whose basic principles are likewise sound. If in this industrial crisis when the stakes for which we are dicing are none other than industrial, economic and financial freedom, there are manifestations of bigotry—class bigotry, industrial bigotry—if these exist on the part of the American Federation of Labor, that is no reason why the basic principles espoused by the Federation should be quartered and sawed upon the altar of public opinion. By class bigotry I refer to the fact that the American Federation of Labor ordinarily upholds the policy that a union man cannot work alongside a non-union man;

that the best carpenter shall be paid no more than the worst union carpenter; that an industrialist who attempts to hire a non-union man in a union shop must encounter the penalty of a strike or a walk-out.

That is industrial bigotry when 4-million organized men at a fee of approximately $18.00 each per year paid into the Union take it upon themselves to dictate these fallacies and errors to the 20-million unorganized industrial laborers or the 40-million laborers of all kinds who are resident within this nation and who do not belong to their unions.

It is against these errors and this high cost of organization that today I protest in the names of the millions of working men who are standing on the sidelines overburdened with taxes, oppressed by industry and spun upon the wheel of an economic servitude—laboring men who in this crisis realize and recognize that they must organize but, who, if they have a voice that could be heard, would refuse to submit at least to a double system of taxation without representation—one to the American Federation of Labor and one to the United States Government who should be their protector but who until this present year has played the part of the biggest Judas Iscariot in the annals of history.

If the American Federation of Labor and the affiliated unions would lower their dues to $3.00 a year—to 25 cents a month—they would have in a week's time an enrollment of 40-million men with a revenue of $120-million to carry on their campaign free from the charges of organization for a profit, free from the implication of industrial bigotry.

In this crisis, however, what can the laboring man do? Can he be expected to sit on the sidelines while his fellowmen are fighting for industrial freedom? He cannot be a traitor to his cause, to himself, or to his family. He must organize. And thanks to the stupidity of the industrialist who in season and out of season has fought against organization there is only one decision for the laborer to make.

My friends, by this last statement do not misinterpret me in that I mean you and I and everyone else must surrender to the American Federation of Labor as it exists today. After all it is a private corporation. After all though it has done more to organize the American laboring man than all other organizations combined, nevertheless, it is still subject to the United States Federal Government. It is still subject to section 7, article A of the National Industrial Recovery Act. It is still subject in the matter of its finances and by-laws to Federal modification and to the Wagner Bill that is coming up in a few days.

There are two sentences in this National Recovery Act which I would like to read for you before commenting further. They are as follows:

> First: *"Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.*
>
> Second: *"No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing."*

The first sentence legally compels the employer to respect and to acknowledge the right of his employee to join any organization or union which the employee chooses to join.

The second sentence among other things, legally protects the employee, or the laborer, to the extent that he is free to join or not to join any labor organization or union.

Now the disputed point in the automotive industry as it exists today is whether or not the American Federation of Labor shall be recognized by that industry. The manufacturers refuse to recognize the American Federation of Labor. The American Federation of Labor demands to be recognized because they claim that according to free choice of the laborers this organization is the duly representative voice of the employees.

These demands are nothing but swashbuckling puerilities. The American people demand that both the automotive manufacturers and the American Federation of Labor surrender to the United States Government in the name of the public good. They are both wrong. To be right they both must adhere to Article 7 (a) above quoted.

In this crisis the Federal Government dare not side-step and must not put a joker in the "new deal" unless its house of cards shall come tumbling down upon its head.

What do I mean? Well we have heard much talk about *"cracking down"* on industry. Perhaps there should be a little talk, at least a sentence or two, about *"cracking down"* on the American Federation of Labor and its exorbitant demands.

There will be presented to Congress in the near future a Bill commonly referred to as the Wagner Bill which bristles with *"musts"* and *"donts"*, with commands and threats to every industrialist.

Now no one denies that industry needs to be placed over the Congressional knee and soundly spanked. No one denies that its attitude towards labor must be radically altered.

But despite this longed-for legislation, which aims at unionizing all industrial labor in vocational groups, is the Wagner Bill complete unless it removes the class bigotry from the American Federation of Labor; unless it tempers its financial power and unless, in fine, it sets up a code of fair play for labor as well as fair play for industry?

If Senator Wagner is endowed with the intelligence which we think he possesses, he will not stop at rescuing the innocent American laborer from the Scylla of Industry only to hand him over to the Charybdis of Unionism as it now exists.

It is time for our Government to pass legislation that will really protect the workingman and rectify both industry and the American Federation of Labor; that will recognize any and all good unions freely formed by the workingman according to the law of the National Recovery Act.

For many years we have had a so-called Department of Labor in this country and a so-called Secretary of Labor engineering its activities. For many years it has been the most inefficient, hypocritical and fore-flushing department in all our Government. Ordinarily it has been presided over by a sphinx who either cared not or dared not open his mouth in defense of the laborer. Silently the Secretary of Labor sat in his office while the coal miner slaved in the pits; while the textile industry sweat blood out of children and women; while long hours and short wages were the portion of millions of our citizens and while wealth was concentrated in the hands of a few.

The Department of Labor was the Department of *"do-nothing-ism"*—a department for which you and I paid taxes to support while it accomplished nothing that was substantial; a department which even in this year exacts from the laboring man twelve months of taxation while it permits him to work six months for starvation wages.

Mr. Laboring Man, why do you pay taxes? Simply to build up an army and a navy for the protection of goods that you do not own and cannot own; simply to perpetuate in office a Department of Labor that has never been for you or for your interests?

That is why you members of the American Federation of Labor had to pay your taxes twice—once to a Government who did not use them for your welfare and once to a private organization that today appears to be a government within a government.

As I conceive it, the time has arrived—this Administration, this year, this month—for the Department of Labor, through the Wagner Bill, to begin to function or else change its name to the Department of Industrial Slavery. Single taxation is all that any of us can bear even in prosperous times. Double taxation for a government within a government is unjust and unsound.

The time has arrived for the Government not only to *"crack down"* on industry but also to eliminate the necessity of your paying double fees for the preservation of your rights.

My laboring friends, I sympathize with you as you hang transfixed between the thieves of exploitation and cruel government. But I hope as do you that at least one thief is ready to whisper a word of friendliness, of love to you.

There is profit enough in this industrial nation for all of us—profit enough—call it credit money, or currency money, or what not—to insure you against unemployment.

Industry of its own volition will never extend this benediction of justice to you. You must organize! And your Government must begin to function for you! Your Government can do this if it wills and wants to do it!

Industry today is controlled by absentee owners who know you not, and who have never scratched the frost from your window pane to see huddled together your precious children and wife waiting for you to come home with a crust of bread in your hand and the happy news of a job on your lips.

"Cordial relations have always existed between industry and labor" so they tell us! If cordial relations were born in the hell of injustice, I would subscribe to that libel on cordiality!

There never will be cordial relations between labor and capital until hungry mouths are fed, until poverty is eradicated and until the sun of industrial liberty begins to shine through the clouds of oppression.

But your actual boss, Mr. Laboring Man, is not too much to blame. He, too, works for a salary. He, too, is subject to the same master as are you, and you don't know it. But he knows him better than do you. He knows that your factory and your job and the speed-up system which breeds both mass production and mass poverty are controlled by the fat-headed financialist who controls the major portion of the motor industry, of the steel industry, of the railroads and mines—of this whole nation. He controls it as he snaps out his orders with the viciousness of a Simon Legree careless upon whose shoulders the lash of oppression may fall.

You talk of strikes. You vent your spleen upon your local masters. Be sensible for once in your lives. If you must strike, strike in an intelligent manner not by laying down your tools but by raising your voices against a finan-

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cial system that keeps you today and will keep you tomorrow in breadless bondage.

Have I wasted my words upon you when I told you that one private banking house controls $40-billion of American industry and occupation?

Have I merely passingly pleased you when I proved to you that there is a shortage of money in the nation and a purposeful freezing of credit so that independent manufacturers dare not breathe against the will of the Federal Reserve Bank or the Morgans?

Have I been an idle dreamer in explaining to you that there is a vast market in the Orient waiting for the products of your skill and your hand if silver were but remonetized and if Chinese and Indian money were brought back to normal value?

Oh! The Anglo-Chinese merchants and the English-Chinese bankers, to whom Mr. Morganthau sent his ambassador, along with their American conspirators will tell you that it is a dream because they wish to hold you in bondage, Mr. Workingman; to force you to take the pauper's oath and to identify yourselves with the CWA dole list, while they break down industry and buy General Motors for 20 and Chrysler for 30 and United States Steel for 10!

Manufacturers and laborers both! Now is the time to strike together for independence from Wall Street!

Nine-tenths of the difficulties between labor and capital have sprung from the lustful loins of modern financialism. Today these financialists hide behind the smoke-screen of labor difficulties created for the most part through a famine of money and a disease of debt.

But through the smoke-screen we have penetrated. Therefore, there is every hope that your Government, ably assisted by your moral support, will free itself from the advice of the brain-trusters and the bankers who, even at this very hour, are endeavoring to control it and who, until this very hour, have impeded the progress of our financial independence, without which there can be no lasting industrial independence.